

May 29, 2026

By Electronic Delivery

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

**Re: New York Independent System Operator, Inc.'s Proposed Tariff Revisions
Regarding Interconnection Process Improvements Docket No. ER26-____-000**

Dear Ms. Reese:

In accordance with Section 205 of the Federal Power Act¹ and Part 35 of the Federal Energy Regulatory Commission's ("Commission") regulations,² the New York Independent System Operator, Inc. ("NYISO") respectfully submits proposed revisions to its Open Access Transmission Tariff ("OATT") to incorporate additional efficiencies into its new Cluster Study Process³ implemented in response to Order Nos. 2023 and 2023-A (collectively, "Order No. 2023").⁴

The proposed tariff revisions involve modifications to the interconnection procedures set forth in Attachment HH to the OATT (Standard Interconnection Procedures) ("Attachment HH"). Pursuant to these procedures, the NYISO initiated its inaugural Cluster Study Process—the Transition Cluster Study—on August 1, 2024 with over 70 GW of proposed generation submitted in the Application Window. The Transition Cluster Study has demonstrated that the new procedures successfully shorten and improve the interconnection process and work very much as intended. At the same time, the size of the inaugural study and the significant number of Interconnection Request deficiencies and withdrawals have illuminated additional areas for improvement and efficiencies that could further improve the process.

The NYISO has held "Lessons Learned" focus groups and engaged in collaborative discussions with stakeholders since May 2025 to discuss potential process improvements. Through this collaboration with stakeholders, the NYISO has been able to reach consensus on the proposed tariff revisions, which were approved unanimously by the NYISO's stakeholder Operating Committee and Management Committee and was approved by its independent Board of Directors.

¹ See 16 U.S.C. § 824d.

² 18 C.F.R. § 35 *et seq.* (2026).

³ Capitalized terms that are not otherwise defined in this filing shall have the meaning specified in Section 40.1 of the proposed Attachment HH to the NYISO OATT and, if not defined therein, in the NYISO OATT and Market Administration and Control Area Services Tariff.

⁴ See *Improvements to Generator Interconnection Procs. & Agreements*, Order No. 2023, 184 FERC ¶ 61,054, *order on reh'g*, 185 FERC ¶ 61,063 (2023), *order on reh'g*, Order No. 2023-A, 186 FERC ¶ 61,199, errata notice, 188 FERC ¶ 61,134 (2024) ("Order No. 2023").

The proposed tariff revisions enhance and clarify the existing interconnection requirements. The NYISO demonstrates herein that all of its proposed revisions and clarifications are just and reasonable and that all should be accepted. However, each of the numbered proposals in this submission—itemized in the table in Section II—is discrete and independent and, if necessary, could be implemented separately. To allow the NYISO to apply as many of these enhancements to the upcoming Cluster Study Process, the NYISO consents to severing any of its numbered proposals that the Commission might deem to not be just and reasonable to the maximum extent permissible by law, such that the remainder of the proposed tariff revisions may be.⁵ The Commission has previously granted conditional acceptances of proposed interconnection process changes that rejected some revisions while accepting others when the filing utility provided its consent.⁶

As discussed in Section III below, the NYISO requests an effective date of July 29, 2026 to allow it to apply the benefits of the proposed revisions in the upcoming Cluster Study, the Application Window for which is scheduled to open on July 31, 2026.

I. Background

In response to Order No. 2023, the NYISO developed its new Standard Interconnection Procedures in Attachment HH of the NYISO OATT that establish a Cluster Study Process for its evaluation of proposed interconnections of new generating facilities or certain transmission facilities to the New York State Transmission System or Distribution System.⁷ The Standard Interconnection Procedures also establish the requirements for related interconnection studies, including Affected System Studies, the Expedited Deliverability Study, the Fast Track Process, and studies required as part of a Facility Modification Request.

The Commission accepted the Standard Interconnection Procedures as compliant with Order No. 2023, including accepting numerous independent entity variations in light of the NYISO's distinct interconnection procedures, market structure and planning framework, and

⁵ See *NRG Power Mktg., LLC v. FERC*, 862 F.3d 108, 114-15 (D.C. Cir. 2017) (finding that the Commission can impose limited conditions on FPA Section 205 filings that do not result in an “entirely different rate design” than the utility’s original proposal or prior rate scheme); see also *Nev. Power Co.*, 195 FERC ¶ 61,104 (2026) at PP 9, 12 (accepting in part and rejecting in part tariff revisions to interconnection procedures filed pursuant to Section 205 of the Federal Power Act for which the filing party requested that “each of the changes proposed in this submission is a discrete revision to the Tariff and may be severed from any provision found not to be just and reasonable.”).

⁶ See, e.g., *Nev. Power Co.*, 195 FERC ¶ 61,104 (2026) at PP 9, 12 (accepting in part and rejecting in part tariff revisions to interconnection procedures filed pursuant to Section 205 of the Federal Power Act for which the filing party requested that “each of the changes proposed in this submission is a discrete revision to the Tariff and may be severed from any provision found not to be just and reasonable.”); *PacifiCorp*, 179 FERC ¶ 61,089, at PP 35, 39, 51 (2022) (accepting several components of a PacifiCorp interconnection proposal despite a finding that one aspect of the proposal had not been demonstrated to be consistent with or superior to the Commission’s pro forma LGIP, where PacifiCorp expressly indicated that the components of its proposal were severable from one another).

⁷ The Standard Interconnection Procedures in Attachment HH of the NYISO OATT replaced the then-existing Standard Large Facility Interconnection Procedures in Attachments S and X of the OATT and the Standard Small Generator Interconnection Procedures in Attachment Z of the ISO OATT, subject to certain transition requirements.

other New York-specific considerations.⁸ The NYISO submitted on May 15, 2026, a compliance filing in its Order No. 2023 proceeding to address one final remaining directive to remove limited tariff revisions to the NYISO's modification requirements that the Commission determined are outside of the scope of that proceeding.⁹

A. Summary of Cluster Study Process

The core elements of the NYISO's Cluster Study Process are summarized as follows and illustrated in Figure 1 below.

Pre-Application Process: Prior to the commencement of a Cluster Study Process, Interconnection Customers may gain valuable information regarding proposed interconnections by requesting a Pre-Application Report and by reviewing the Heatmap.¹⁰

Application Window: The NYISO kicks off each Cluster Study Process by opening the Application Window for that study cycle.¹¹ To enter the study, an Interconnection Customer must submit during the 45-Calendar Day Application Window an Interconnection Request or CRIS-Only Request, the applicable Application Fee and Study Deposit, a demonstration of Site Control, and all other required application materials.¹² If the Interconnection Customer submits a valid request or timely cures any deficiencies, the request will be a Cluster Study Project included in the Cluster for that study process.¹³

Customer Engagement Window: After the close of the Application Window, the NYISO commences a 70-Calendar Day Customer Engagement Window.¹⁴ Within 10 Business Days of the start of the Customer Engagement Window, the NYISO publishes the list of all of the Cluster Study Projects participating in that process.¹⁵ Within 5 Business Days of such publication, an Interconnection Customer has the opportunity to modify the Point of Interconnection ("POI") of its Cluster Study Project and may also withdraw its Cluster Study Project up to this point without penalty.¹⁶

During the Customer Engagement Window, the applicable Transmission Owners conduct Physical Infeasibility screens to identify whether any of the proposed interconnections are Physically Infeasible and unable to proceed, in which case the Physically Infeasible Cluster

⁸ *N.Y. Indep. Sys. Operator, Inc.*, 191 FERC ¶ 61,049 (2025); *N.Y. Indep. Sys. Operator, Inc.*, 193 FERC ¶ 61,031 (2025); *N.Y. Indep. Sys. Operator, Inc.*, Letter Order, Docket No. ER24-1915-004 (May 6, 2026).

⁹ See *N.Y. Indep. Sys. Operator, Inc.*, Docket No. ER24-1915-005 (May 15, 2026) ("NYISO's Initial Order No. 2023 Compliance Filing") (addressing Commission's directive to remove certain revisions to the technological change procedures that the Commission determined was outside of the scope of the proceeding).

¹⁰ OATT Attach. HH §§ 40.4.1, 40.4.2.

¹¹ *Id.* § 40.5.3.

¹² *Id.* § 40.5.5.

¹³ *Id.* § 40.5.7.

¹⁴ *Id.* § 40.7.1.

¹⁵ *Id.* § 40.7.2.

¹⁶ *Id.* §§ 40.7.2.2, 40.7.2.23.

Study Projects will be withdrawn without penalty.¹⁷ Finally, the NYISO conducts a group Scoping Meeting for the Cluster Study Projects.¹⁸

During the Customer Engagement Window, the NYISO develops the Existing System Representation and short-circuit base cases required for the performance of the Phase 1 Study.¹⁹ In parallel, the NYISO begins developing the steady state base cases as well as study files for steady state analysis.

Phase 1 Study: At the end of the Customer Engagement Window, Interconnection Customers have a 5-Business Day period—the Phase 1 Entry Decision Period—to elect whether to proceed to the Phase 1 Study.²⁰ To move forward, the Interconnection Customer must post Readiness Deposit 1, which is calculated as \$4,000 per MW.²¹

The NYISO then commences the Phase 1 Study process.²² The process is a 190-Calendar Day period that runs from the Phase 1 Study Start Date to the NYISO's presentation to the stakeholder Operating Committee for its approval of the Phase 1 Cost Estimates Summary Report.²³ At the start of the Phase 1 Study process, the NYISO finalizes the Existing System Representation and the required base cases.²⁴ The Connecting Transmission Owners and Affected Transmission Owners assess the local impacts of the proposed interconnections of the Cluster Study Projects to identify the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, and Local System Upgrade Facilities²⁵ required to reliably interconnect the Cluster Study Projects in accordance with Applicable Reliability Requirements, and to provide cost estimates for and a preliminary schedule to construct the facilities.²⁶ In parallel with the performance of the Phase 1 Study, the NYISO and Transmission Owners also perform preparatory work for the Phase 2 Study.²⁷ The NYISO incorporates the results from the Phase 1 Study into a Phase 1 Cost Estimates Summary Report and presents it to its stakeholder Operating Committee.²⁸ The Phase 1 Study process concludes with the Operating Committee's approval of a summary of the Phase 1 Study cost estimates.²⁹

¹⁷ *Id.* § 40.7.3.

¹⁸ *Id.* § 40.7.4.

¹⁹ *Id.* § 40.10.2.

²⁰ *Id.* § 40.7.5. If the Interconnection Customer instead elects to withdraw during this stage, it will be subject to a withdrawal penalty equal to 25% of its Study Deposit with limited exceptions. *Id.* § 40.7.6.

²¹ *Id.* § 40.7.5.3.

²² *Id.* § 40.10.1.

²³ *Id.* § 40.9.2.1.

²⁴ *Id.* § 40.10.4.

²⁵ Local System Upgrade Facilities include any electrical facilities required to make the physical connection (e.g., a new ring bus for a line connection or facilities required to create a new bay for a substation connection). Local System Upgrade Facilities also include any system protection or communication facilities that may be required for protection of the Connecting Transmission Owner's and/or Affected Transmission Owner's transmission facility involved in the interconnection. *Id.* § 40.1.

²⁶ *Id.* § 40.10.4. In parallel with the performance of the Phase 1 Study, the NYISO and Transmission Owners will perform preparatory work for the Phase 2 Study. *Id.* § 40.10.7.

²⁷ *Id.*

²⁸ *Id.* § 40.10.6.

²⁹ *Id.* § 40.10.1.

Phase 2 Study: At the end of the Phase 1 Study, Interconnection Customers have a 10-Business Day period—the Phase 2 Entry Decision Period—to elect whether to move forward to the Phase 2 Study.³⁰ To move forward, the Interconnection Customer must post Readiness Deposit 2.³¹

The NYISO then commences the 270-Calendar Day Phase 2 Study process.³² The process is a 270-day period that runs from the Phase 2 Study Start Date to the NYISO's presentation of the draft Cluster Study Report to the stakeholder Operating Committee for its approval.³³ The NYISO performs assessments to identify any non-Local System Upgrade Facilities³⁴ and Distribution Upgrades required for the reliable interconnection of the Cluster Study Projects.³⁵

For Cluster Study Projects requesting Capacity Resource Interconnection Service (“CRIS”), the NYISO also conducts a Cluster Study Deliverability Study as part of the Phase 2 Study to identify any required System Deliverability Upgrades.³⁶ If the NYISO identifies a “new” System Deliverability Upgrade,³⁷ Interconnection Customers may elect for the upgrade to be assessed through a separate parallel Additional SDU Study or may proceed in the existing study with only their deliverable MW or as Energy Resource Interconnection Service (“ERIS”)-only.³⁸

During the Phase 2 Study, the Connecting Transmission Owner, Affected Transmission Owner, or Affected System Operator determines the cost estimates for and a preliminary schedule to construct the identified upgrade facilities.³⁹ They also update, as needed, the identification and cost estimates of the upgrade facilities identified in the Phase 1 Study.⁴⁰ The NYISO allocates upgrade costs among Cluster Study Projects using a proportional impact method.⁴¹

³⁰ *Id.* § 40.10.8.

³¹ Readiness Deposit 2 replaces Readiness Deposit 1 and is calculated as the greater of Readiness Deposit 1 amount and 20% of the cost estimates determined in the Phase 1 Study for the project. *Id.* § 40.10.8. If the Interconnection Customer instead elects to withdraw during this stage, it will be subject to a withdrawal penalty equal to 50% of its Study Deposit and 10% of its Readiness Deposit 1 with limited exceptions. *Id.* § 40.10.9.

³² *Id.* § 40.11.1.

³³ *Id.* § 40.9.2.1.

³⁴ Non-Local System Upgrade Facilities include System Upgrade Facilities required to mitigate any adverse reliability impacts of the Projects identified through analysis such as power flow, short circuit, or stability (*e.g.*, replacement of a circuit breaker at a nearby substation that becomes overdutied as a result of the Project(s)). *Id.* § 40.1.

³⁵ *Id.* § 40.11.2.1.

³⁶ *Id.* § 40.11.3.

³⁷ A “new” new System Deliverability Upgrade is a System Deliverability Upgrade not previously identified and cost allocated in a Class Year Study or Cluster Study and not substantially similar to a System Deliverability Upgrade previously identified and cost allocated in a prior Class Year Study or Cluster Study. *Id.* § 40.1.

³⁸ *Id.* § 40.11.3.

³⁹ *Id.* § 40.11.4.

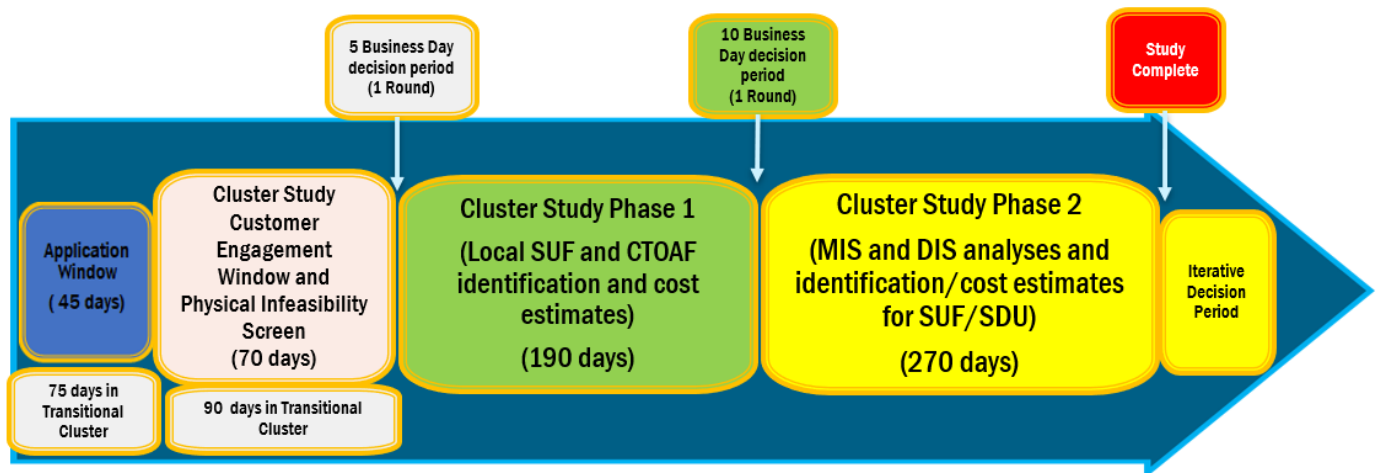
⁴⁰ *Id.* § 40.11.2.2.

⁴¹ *Id.* § 40.12.2.

The NYISO develops a draft Cluster Study Report with the results of the Phase 2 Study and presents the results to the Operating Committee. The Phase 2 Study concludes with the Operating Committee's approval of the Cluster Study Report.⁴²

Final Decision Period: At the conclusion of the Phase 2 Study, the NYISO commences the Final Decision Period. In the iterative decision rounds of this process, Interconnection Customers elect whether to accept the costs for the upgrade facilities identified for their Cluster Study Projects and upon acceptance, must pay cash or post Security for the allocated amount.⁴³ An Interconnection Customer that accepts its costs allocation and pays cash or posts Security for its allocated costs will move forward to negotiate an interconnection agreement and any required construction agreements for the Cluster Study Project.

Figure 1 - Cluster Study Process



Total Timeline: 590 days (1.6 years)

B. Status of Transition Cluster Study Process

The NYISO commenced its first Cluster Study Process – the Transition Cluster Study Process – on August 1, 2024. During the Application Window, the NYISO received 376 Interconnection Requests, 327 of which were validated. Approximately 75% of those Cluster Study Projects elected to enter the Phase 1 Study. Of the 243 Cluster Study Projects that entered

⁴² *Id.* §§ 40.11.1, 40.11.7.

⁴³ *Id.* § 40.15. If, on the other hand, the Interconnection Customer does not accept its cost allocation or pay cash or post Security for its project, the project will be withdrawn and will be subject to a withdrawal penalty equal to 100% of its Study Deposit and 20% of its Readiness Deposit 2. *Id.* § 40.15.5. The Interconnection Customer will only be responsible for additional costs in excess of its secured amount under tariff-prescribed circumstances. *Id.* § 40.16.3. Its Security will be subject to forfeiture if the project withdraws, and other Interconnection Customers are relying on its attachment facilities or upgrades. *Id.* § 40.16.1.

the Phase 1 Study, 92 elected to proceed to the Phase 2 Study. There are 91 Cluster Study Projects remaining in the Transition Cluster Study at this time.⁴⁴

Currently, the Transition Cluster Study is in the Phase 2 Study. The NYISO is completing the Phase 2 Study analyses. Together with the respective Connecting Transmission Owners and Affected Transmission Owners, the NYISO is also completing the design of non-local System Upgrade Facilities and System Deliverability Upgrades and preparing cost estimates for such upgrades.

C. Stakeholder Process and NYISO Board Approval

As noted above, the genesis of the tariff revisions proposed herein were “Lessons Learned” focus groups that featured collaborative discussions with stakeholders beginning in May 2025 to discuss potential process improvements.⁴⁵ The NYISO subsequently identified and discussed proposed enhancements to its Cluster Study Process at numerous meetings of its joint Transmission Planning Advisory Subcommittee (“TPAS”) and Electric System Planning Working Group (“ESPWG”) stakeholder groups.⁴⁶ Through this collaboration with stakeholders, the NYISO has been able to reach consensus on the tariff revisions proposed herein. The proposed revisions were approved unanimously by the NYISO’s Operating Committee on March 19, 2026, and by the NYISO’s Management Committee on March 25, 2026. On April 21, 2026, the NYISO Board of Directors approved the NYISO making this tariff filing under Section 205 of the Federal Power Act.

D. Independent Entity Variations

The revisions proposed herein must satisfy the “just and reasonable” standard under Section 205 of the FPA. They must also satisfy the Commission’s “independent entity variation” standard because they propose to modify *pro forma* provisions established by Order No. 2023 as well as tariff provisions that reflect independent entity variations previously obtained by the NYISO.

The NYISO’s proposed revisions are fully justified under the Commission’s independent entity variation standard. The independent entity standard “is a balanced approach that recognizes that an RTO or ISO has different operating characteristics depending on its size and location and is less likely to act in an unduly discriminatory manner than a Transmission

⁴⁴ See Interconnection Cluster Study Projects Dashboard, NYISO Transmission Planning Advisory Subcommittee and Electric System Planning Working Group (June 1, 2026); *available at*: https://www.nyiso.com/documents/20142/58115381/05%2028%202026%20-%20Interconnection%20Cluster%20Study_%20Projects%20Dashboard%202026%20R0.pdf/ba15d2f3-fcc1-6577-05b4-bd926386ca74.

⁴⁵ See Overview of Cluster Study Process & Lessons Learned presentation, NYISO Interconnection Project Facilities Study Working Group (May 1, 2025); *available at*: https://www.nyiso.com/documents/20142/51213799/5_1_2025%20IPFS%20working%20group.pdf/cf504a46-b746-c577-41ff-fcce001fb84f.

⁴⁶ Proposed enhancements to the Cluster Study Process were discussed at joint TPAS/ESPWG meetings on December 3, 2025; January 5, 2026; February 3, 2026; February 26, 2026; March 3, 2026; and March 9, 2026.

Provider that is a market participant.”⁴⁷ Under this standard, “the Commission will review the proposed variations to ensure they do not provide an unwarranted opportunity for undue discrimination or produce an interconnection process that is unjust and unreasonable.”⁴⁸ The Commission has recognized both that (i) the independent entity variation standard “is more flexible than the ‘consistent with or superior to’ standard and the regional differences standard”⁴⁹ and (ii) where changes to interconnection procedures “are clarifying and/or ministerial in nature and/or NYISO has supplied sufficient justification,” such modifications are acceptable under the independent entity variation standard.⁵⁰

The NYISO’s Standard Interconnection Procedures include numerous and substantial independent entity variations previously accepted by the Commission to account for the NYISO’s distinct interconnection procedures, unique market and planning framework and other New York-specific considerations. The NYISO’s proposed revisions build on these existing variations to revise and clarify tariff provisions that have proven to be ambiguous or unduly difficult to implement in the NYISO’s experience or to otherwise improve the existing procedures based on lessons learned in their administration. In describing the proposed revisions below, the NYISO details how such revisions enhance and clarify the existing requirements. Such revisions and clarifications are just and reasonable and do not provide opportunities for undue discrimination. The NYISO and its stakeholders believe that the proposed tariff modifications can provide considerable improvements to the existing process. As described above, the tariff revisions proposed in this filing were the product of nearly a year of discussions with stakeholders in the NYISO’s governance process. They were approved unanimously by the NYISO Operating Committee and Management Committee and were approved by the NYISO’s Board of Directors.

⁴⁷ See *Standardization of Generator Interconnection Agreements & Procs.*, Order No. 2003, 68 Fed. Reg. 49846 (Aug. 19, 2003), 104 FERC ¶ 61,103, at P 826 (2003), *order on reh’g*, Order No. 2003-A, 69 Fed. Reg. 15932 (Mar. 5, 2004), 106 FERC ¶ 61,220, *order on reh’g*, Order No. 2003-B, 70 Fed. Reg. 265 (Jan. 19, 2005), 109 FERC ¶ 61,287 (2004), *order on reh’g*, Order No. 2003-C, 70 Fed. Reg. 37661 (July 18, 2005), 111 FERC ¶ 61,401 (2005), *aff’d sub nom. Nat’l Ass’n of Regul. Util. Comm’rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007).

⁴⁸ See *N.Y. Indep. Sys. Operator, Inc.*, 124 FERC ¶ 61,238, at P 17 (2008).

⁴⁹ See Order No. 2003 at P 26.

⁵⁰ See *N.Y. Indep. Sys. Operator, Inc.*, 135 FERC ¶ 61,014 (2011); *N.Y. Indep. Sys. Operator, Inc.*, 124 FERC ¶ 61,238, at PP 17-18.

II. Description of the Proposed Tariff Modifications

The following table lists each of the proposals discussed in this filing letter and for which the NYISO is proposing tariff revisions, with the corresponding page number.

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III. Effective Date

The NYISO respectfully asks that the proposed tariff revisions submitted in this filing become effective on the day following the conclusion of the standard statutory sixty-day notice period under Section 205 of the Federal Power Act, *i.e.*, that they become effective on July 29, 2026. The requested effective date is necessary to allow the benefits of the proposed revisions to be realized in the upcoming Cluster Study. Many of the most impactful proposed revisions apply within the Application Window, which is scheduled to open for the next Cluster Study on July

31, 2026. The NYISO therefore requests that the Commission accept the proposed tariff revisions without any modifications with an effective date of July 29, 2026.

IV. Proposed Tariff Revisions

The Transition Cluster Study began with nearly 400 projects and more than 70 GW of proposed generation—double the NYISO’s peak load—creating unique challenges. These challenges stemmed from excessive iterations of deficiency reviews driven by inconsistent or incomplete Interconnection Request submissions, delays caused by lengthy deficiency cure periods, withdrawals, and resolution of disputes.

Through the proposed enhancements detailed below, the NYISO seeks to improve Interconnection Request quality, reduce deficiencies and disputes, streamline workflows, limit delays triggered by withdrawals, and increase predictability and transparency.

A. Proposals to Improve Efficiencies in the Submission and Validation of Interconnection Requests

Detailed below are NYISO’s proposed tariff revisions to the Interconnection Request form itself and the submission and validation process. The objective of these revisions is to increase efficiencies, make the Application Window and early stages of the next Cluster Study Process more manageable and less susceptible to delay, and to improve the quality of Interconnection Request submissions. This will in turn: (1) decrease deficiencies necessitating withdrawals and subsequent cures or disputes; and (2) decrease iterations of deficiency responses and reviews. These improvements should be accepted as independent entity variations because they address NYISO-specific issues that were identified during the Transition Cluster Study Process, because they are generally clarifying or ministerial in nature, and because many of them will facilitate Interconnection Customers’ compliance with Interconnection Request requirements.

In addition to the proposed tariff revisions, the NYISO is also pursuing non-tariff process improvements to assist Interconnection Customers and to help minimize deficiencies in Interconnection Requests. These include:

- increased training;
- clearer and more detailed modeling guidance;
- advance provision of models and procedures so that Interconnection Customers can be better prepared to submit models that meet NYISO requirements and to reduce the likelihood of deficiencies;
- a more user-friendly interconnection portal providing increased transparency and coordination among the NYISO, Transmission Owners and Interconnection Customers;
- manual and technical bulletin updates;

- more consistent and streamlined study assumptions, methodologies and reports;
- clarification regarding the lockdown dates for various elements of the Existing System Representation; and
- clarification regarding the identification of Affected Transmission Owners.

i. Simplify Interconnection Request Form

In the Transition Cluster Study Application Window, the NYISO observed numerous deficiencies that could be prevented with revisions to the specific fields included in the Interconnection Request form.⁵¹ The NYISO proposes to revise the Interconnection Request form to eliminate unnecessary or redundant fields and to provide clarifications for Interconnection Customers.⁵² Specifically, the NYISO proposes to revise the Interconnection Request form as follows:

- Delete duplicative fields, fields that are informational only or unnecessary;
- Add explanatory parentheticals;
- Clarify information to include in the one-line diagram;
- Make the modeling data summary optional;
- Provide that to the extent modeling data is inconsistent with information in the validated Interconnection Request, the NYISO will rely on the data in the Interconnection Request (allowing the NYISO to utilize information from the Interconnection Request to make corrections to modeling data, thereby eliminating the need for correcting the modeling data through the deficiency process);
- Require validated electromagnetic transient models only upon request;
- Delete Question No. 4 regarding ongoing Optional Feasibility Studies, System Impact Studies and System Reliability Impacts Studies, none of which are part of the Cluster Study Process;
- Revise “Generating Facility Capability” to “Generating Facility capacity” in Question No. 8 and add a cross reference to Section 40.5.6.3 of Attachment HH regarding maximum permissible ERI levels;
- Clarify that “station” refers to the POI station;

⁵¹ The Interconnection Customers complete the Interconnection Request “form” by inputting the required information into fields populated in the NYISO’s interconnection projects portal.

⁵² Proposed revisions to OATT Attach. HH § 40.25.1.

- Clarify that “maximum reactive power at rated power leading” is referring to “maximum leading reactive power at nameplate MW rating (MVAR);”
- Clarify that “minimum reactive power at rated power lagging” is referring to “maximum lagging reactive power at nameplate MW rating;”
- Distinguish existing versus new customer-site load and re-organize questions related to customer-site load;
- Clarify that coincident Summer peak load data must be provided only if the Interconnection Customer is not providing metered load data; and
- Add a certification that the individual submitting the Interconnection Request is authorized to do so on behalf of the Interconnection Customer and that the information provided in the Interconnection Request is true and accurate to the best of such individual’s belief and knowledge.

ii. *Abbreviate Interconnection Request Submission Requirements for Contingent Projects*

The Application Window for a Cluster Study Process will open and may conclude prior to the conclusion of the prior Cluster Study Process. Accordingly, the Standard Interconnection Procedures include requirements to permit Interconnection Customers with Cluster Study Projects participating in an ongoing study process (the “Pending Project”) to submit the same project as a contingent project (“Contingent Project”) during the Application Window for the next study process.⁵³ This provides Interconnection Customers with the opportunity to enter the subsequent study process as a hedge against the results of the ongoing study process (*e.g.*, high upgrade costs that may be lower in a subsequent Cluster Study Process). As described in Part IV.D.1 below, if a Pending Project accepts its Project Cost Allocation in its ongoing Cluster Study Process, the Contingent Project will be withdrawn without penalty from the subsequent study process.⁵⁴

The Interconnection Customer must satisfy for a Contingent Project all of the same entry requirements for the Cluster Study that are required for an entirely new Cluster Study Project, including, but not limited to, satisfying the non-refundable Application Fee, Study Deposit, and Site Control requirements.⁵⁵ As the technical information concerning a Contingent Project is the same as for the existing Pending Project, the NYISO proposes to revise its Interconnection Request information requirements to establish that the technical data and modeling data submitted with the Pending Project’s Interconnection Request need not be resubmitted with the Contingent Project’s Interconnection Request submission.⁵⁶ Instead, the NYISO is able in its

⁵³ OATT Attach. HH § 40.5.4.1.1.

⁵⁴ *Id.* § 40.5.4.1.3.

⁵⁵ *Id.* § 40.5.4.1.2.

⁵⁶ Proposed revisions to OATT Attach. HH §§ 40.5.4.1.2 and 40.25.1.

interconnection projects portal to populate the information provided for the Pending Project in the Contingent Project's Interconnection Request.

This change will reduce administrative burdens on the Interconnection Customer, eliminate possible inconsistencies arising between the two submissions for the same project, and thereby minimize deficiencies and corresponding withdrawals.

B. Proposals to Improve the Phase 1 and Phase 2 Studies

i. Allow Conditional Phase 1 Entry for Physically Infeasible Cluster Study Projects

The NYISO's Standard Interconnection Procedures establish a process step during the Customer Engagement Window in which the Connecting Transmission Owner or any identified Affected Transmission Owners will review a Cluster Study Project's proposed interconnection to assess whether its proposed POI is Physically Infeasible.⁵⁷ The purpose of this Physical Infeasibility screening is to identify early in the study process, when possible, those Cluster Study Projects that will not be able to interconnect due to physical infeasibility issues, so that such Cluster Study Projects can withdraw without incurring significant costs, time, and resources. If a Cluster Study Project's proposed interconnection is determined to be Physically Infeasible, it will be withdrawn from the Cluster Study Process.⁵⁸

Under the NYISO's existing rules, if more than one Cluster Study Project is proposing to interconnect at the same POI and all of these Cluster Study Projects cannot interconnect in the aggregate due to a Physical Infeasibility issue, the Cluster Study Project with the higher Queue Position will have priority for access to the POI for purposes of the Physical Infeasibility determination.⁵⁹ For example, if two Cluster Study Projects with Queue Positions #1 and #2 are in the same Cluster and are proposing to interconnect to an existing substation that can only accommodate one of the Cluster Study Projects consistent with the definition of Physical Infeasibility, then the project in Queue Position # 1 will be eligible to enter the Phase 1 Study of the Cluster Study Process, and the project in Queue Position # 2 will be deemed Physically Infeasible and withdrawn. To enter the Phase 1 Study, the Cluster Study Project that is eligible to proceed must then—during Decision Period 1—notify the NYISO of its intent to enter the Phase 1 Study, provide updated milestones, and provide the NYISO with its Readiness Deposit 1 for the Cluster Study Project, which shall be \$4,000 per MW.⁶⁰

In the Physical Infeasibility screening process for the Transition Cluster Study Process, certain Interconnection Customers raised concerns that available POIs for which Cluster Study

⁵⁷ OATT Attach. HH § 40.7.3. The definition of Physical Infeasibility is addressed in Part IV.C.i of this filing letter.

⁵⁸ *Id.* A Cluster Study Project that is withdrawn from the NYISO Queue due to a Physical Infeasibility determination will not be subject to a Withdrawal Penalty. *Id.* § 40.7.6.2(ii).

⁵⁹ *Id.* § 40.7.3.3. The NYISO assigns a Queue Position based upon the date and time of its receipt of an Interconnection Customer's complete submission of its Interconnection Request. *Id.* § 40.6.1.1. A "higher" Queue Position is one that has been placed earlier in the Queue in relation to another request. *Id.* § 40.6.1.2.

⁶⁰ *Id.* § 40.7.5.3.

Projects indicated an interest could go unused in the Cluster Study cycle if a Cluster Study Project with higher priority that was eligible to enter the Phase 1 Study elected not to proceed. That is, per the example above, if the project in Queue Position #1 did not satisfy the requirements to enter the Phase 1 Study, then the project in Queue Position #2 could not take advantage of the now available POI because it had been withdrawn.

The NYISO proposes revisions to enhance its existing Cluster Study Process requirements by providing an avenue through which the next-in-line Cluster Study Project can proceed to use an available POI due to a higher queue Cluster Study Project's failure to proceed. The proposed revisions are narrowly drawn to permit a next-in-line Cluster Study Project to proceed in limited circumstances that do not create substantial new process complexities or require the NYISO and Transmission Owners to commit significant additional time and resources that could delay the Cluster Study Process and harm all study participants.⁶¹

Specifically, the NYISO proposes revisions to its Physical Infeasibility requirements to permit a Cluster Study Project that has been deemed Physically Infeasible in the Customer Engagement Window to request conditional entry into the Phase 1 Study in the following limited circumstances:

- (i) the Cluster Study Project was deemed Physically Infeasible because the POI could only accommodate one Cluster Study Project with a Queue Position with a higher designated priority;
- (ii) the Cluster Study Project requesting conditional entry holds the next Queue Position in priority for that POI, and
- (iii) there is only one Queue Position with a higher priority that passed the Physical Infeasibility screening.⁶²

The Cluster Study Project requesting conditional entry must satisfy all of the entry requirements for the Phase 1 Study during the Decision Period, including providing Readiness Deposit 1.⁶³ If the higher-queued Cluster Study Project does not meet the Phase 1 Study entry requirements, the Cluster Study Project that used the conditional entry may proceed in the Cluster Study in place of the higher-queued Cluster Study Project. If, on the other hand, the higher-queued Cluster Study Project meets the requirements to enter the Phase 1 Study, the

⁶¹ In particular, in place of the simple two project example above, there could be numerous projects seeking to interconnect at the same POI that could accommodate one or more projects and multiple, alternative variations by which certain projects or combinations of projects could interconnect if some number of the higher-queue projects did not proceed. Performing analyses for a wide range of potential scenarios, along with permitting multiple contingent projects to proceed for each POI, could substantially expand the Physical Infeasibility screening and delay the NYISO's Cluster Study Process, harming all participating projects.

⁶² Proposed revisions to OATT Attach. HH. § 40.7.3.3.

⁶³ *Id.* §§ 40.7.3.3, 40.7.5.3.

Cluster Study Project that used the conditional entry will be withdrawn and will be refunded its Readiness Deposit 1.⁶⁴

The proposed Physical Infeasibility revisions should be accepted as independent entity variations because they will provide additional opportunities for Interconnection Customers to advance through the interconnection process without burdening other parties and because they are consistent with the structure of the NYISO's interconnection procedures (including previously granted independent entity variations).

ii. *Clarify Study Process for Affected Transmission Owners identified during the Phase 1 Study*

In response to an Interconnection Customer's submission of the Interconnection Request for its Facility, the NYISO will identify the Connecting Transmission Owner(s) with which the Facility is proposing to connect and any Affected Transmission Owner(s) of which the NYISO is aware.⁶⁵ An Affected Transmission Owner which is impacted by the proposed interconnection is responsible for performing a Phase 1 Study for that Cluster Study Project to identify any upgrades on its system required for a reliable interconnection and the associated cost estimates and preliminary schedule.⁶⁶ The Affected Transmission Owner is responsible for performing this study in accordance with the Phase 1 Study timing requirements established in the NYISO OATT.⁶⁷

The NYISO is not always able to identify an Affected Transmission Owner based solely on the information submitted by the Interconnection Customer with its Interconnection Request. Certain system impacts may only become clear as part of the study process or with additional input from the Connecting Transmission Owners. If an Affected Transmission Owner is identified later in the process, it may have difficulty completing any required Phase 1 Study within the timeframes for that study established in the OATT, which can result in delays to the completion of the Phase 1 Study process for all Cluster Study Projects.

The NYISO proposes to clarify that the timing requirements for the performance of the Phase 1 Study apply to only those Affected Transmission Owners that the NYISO identifies in

⁶⁴ *Id.* § 40.7.5.3. As the project would be withdrawn due to its Physical Infeasibility, it would not be subject to a Withdrawal Penalty.

⁶⁵ OATT Attach. HH § 40.5.7.1. An Affected Transmission Owner is a subset of an Affected System Owner and refers to "the New York public utility or authority (or its designated agent) other than the Connecting Transmission Owner that (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the ISO OATT, and (ii) owns, leases or otherwise possesses an interest in a portion of the New York State Transmission System where System Deliverability Upgrades, System Upgrade Facilities, Affected Network Upgrade Facilities, or Network Upgrade Facilities are or will be installed pursuant to Attachment HH or Attachment P to the ISO OATT." *See Id.* § 40.1 (definition of "Affected Transmission Owner").

⁶⁶ *Id.* § 40.10.4.

⁶⁷ The Affected Transmission Owner must provide a draft Phase 1 Study within 150 days of the NYISO providing it with the updated Cluster Study Project List and the Cluster Project Assessment short-circuit base case (*i.e.*, short-circuit base case with all Cluster Study Projects in) at the start of the Phase 1 Study Process, and it must provide the final report within 180 days of the same start date. *Id.* § 40.10.5.

response to the Interconnection Customer's submission of its Interconnection Request.⁶⁸ If an Affected Transmission Owner is subsequently identified during the Phase 1 Study process, the Affected Transmission Owner may complete its Phase 1 Study as part of the Phase 2 Study process. The Phase 2 Study process already permits Connecting Transmission Owners and Affected Transmission Owners to make updates to the Phase 1 Study reports in limited circumstances.⁶⁹ The proposed revisions should be accepted as independent entity variations because they will reduce the impact on the timeframe for the overall Cluster Study of those Affected Transmission Owners that are not immediately identified and because they provide a reasonable period of time for those Affected Transmission Owners to perform a Phase 1 Study without delaying the progression of the Cluster Study.

iii. Improve Coordination among Parties involved in the Cluster Study Process

Among the "Lessons Learned" feedback from Interconnection Customers that participated in the Transition Cluster Study was a request for improved coordination among the NYISO, Transmission Owners and Interconnection Customers, particularly regarding comments on Phase 1 Study reports issued by the Connecting Transmission Owners and Affected Transmission Owners. While the current process affords Interconnection Customers the opportunity to review draft Phase 1 Study reports and provide comments,⁷⁰ there is no obligation on the respective Transmission Owners to respond or otherwise address Interconnection Customers' comments and questions. This has led to unresolved comments and disputes that may have been avoidable if the parties were able to engage in more back and forth in the review and comment process.

The NYISO therefore proposes to add a requirement that Connecting Transmission Owners and Affected Transmission Owners review comments from Interconnection Customers and the NYISO and provide responses with the finalized Phase 1 Study report.⁷¹

In addition, the NYISO proposes to provide a Cluster Study upgrade summary after the completion of each Cluster Study. Specifically, the NYISO proposes that as soon as practicable after the completion of the Phase 2 Study Final Decision Period for a given Cluster Study Process, the NYISO will post a summary of Physical Infeasibility determinations and Connecting Transmission Owner's Attachment Facilities ("CTOAF"), Distribution Upgrades, System Upgrade Facilities and System Deliverability Upgrades identified for Cluster Study Projects in such Cluster Study, together with the cost estimate and construction timeline estimates for each such upgrade.

⁶⁸ Proposed revisions to *Id.* §§ 40.10.4, 40.10.5.

⁶⁹ Connecting Transmission Owners and Affected Transmission Owners can update the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, and System Upgrade Facilities identified in the Phase 1 Studies and the related cost estimates if there are changes to this equipment and related costs resulting from another Cluster Study Project's withdrawal after the Phase 1 Study. *See Id.* § 40.11.2.2.

⁷⁰ *Id.* § 40.10.5.

⁷¹ Proposed revisions to OATT Attach. HH § 40.10.5.

These proposals supplement Interconnection Customers' existing ability to request supporting documentation, work papers, and databases or data developed in the preparation of the applicable study.⁷² Taken together, with the proposed tariff revisions, Interconnection Customers will have the benefit of additional information regarding the potential upgrades and upgrade costs and the analyses performed to identify and cost estimate such upgrades. The revisions should therefore be accepted as independent entity variations that improve the NYISO's interconnection procedures.

C. Proposals to Limit the Impact of Cluster Study Project Withdrawals

As noted above, nearly 300 Interconnection Requests were validated in the Application Window, but over 2/3 of the Cluster Study Projects have withdrawn or have been withdrawn by the NYISO. Withdrawals can lead to disputes, the resolution of which may ultimately reinstate Cluster Study Projects. Disputes and reinstatements can impact the study base cases and lead to the potential for delays in the Cluster Study Process. The proposals described in Section IV.A, above, are intended to decrease deficiencies in the Application Window which will help to minimize disputes during and immediately after the Application Window. The NYISO proposes the following additional tariff revisions to reduce withdrawals in later stages of the Cluster Study Process.

i. Clarify the Definition of Physical Infeasibility

As noted above in Section IV.B.i., during the Customer Engagement Window of the Cluster Study, the Connecting Transmission Owner and, as applicable, any identified Affected Transmission Owners evaluate whether a Cluster Study Project's proposed POI is Physically Infeasible. If the NYISO determines, in coordination with the Connecting Transmission Owner or Affected Transmission Owner, that the Cluster Study Project is Physically Infeasible at the proposed POI, the Cluster Study Project is withdrawn from the Cluster Study. The purpose of the screening is to identify Cluster Study Projects early on that will not be able to interconnect due to Physical Infeasibility, so such Cluster Study Projects can withdraw without being subject to a Withdrawal Penalty, minimizing incurred costs, time, and resources.

The Physical Infeasibility screen identifies whether the Cluster Study Project falls into one or more of the following scenarios:

- (1) Scenario No. 1: The substation for the selected POI does not have any available bus positions and cannot be expanded electrically or within the existing substation footprint or adjacent usable vacant land is not available to expand the substation;
- (2) Scenario No. 2: The proposed interconnection is inconsistent with Good Utility Practice or Applicable Reliability Requirements;

⁷² OATT Attach. HH §§ 40.6.4.4, 40.8.3.7, 40.10.4.4, 40.11.5.4.

- (3) Scenario No. 3: There is not a viable tie line cable route from the Point of Change of Ownership to the POI (or, where the Point of Change of Ownership and POI are the same, a viable route cannot be established within or from the fence line); or
- (4) Scenario No. 4: The project capacity exceeds the ratings of equipment at the POI and (i) replacement equipment that would be adequately rated for the project capacity is not commercially available from an approved supplier and within applicable specifications set by the Transmission Owner, and (ii) an alternative upgrade is not physically feasible (*e.g.*, higher voltage POI substation).⁷³

The tariff language as written, however, uses the phrase for Scenario No. 1 “or adjacent usable vacant land is not available . . . ,” creating the potential to interpret such a scenario as finding a Cluster Study Project Physically Infeasible if either (i) the POI substation is not expandable electrically or within the existing substation footprint or (ii) adjacent usable vacant land is not available. Under this interpretation, the Connecting Transmission Owner may deem a Cluster Study Project Physically Infeasible without evaluating whether adjacent usable vacant land may be available to expand the POI substation.

In addition, Scenario No. 1 inadvertently includes Scenario No. 2—whether the proposal is inconsistent with Good Utility Practice or Applicable Reliability Requirements—as a prong of Scenario No. 1 when it was intended to be its own category of Physically Infeasible Cluster Study Project.

The NYISO proposes to revise the tariff language describing Scenario No. 1 to clarify the various categories of Physical Infeasibility. First, the NYISO proposes to clarify that all three criteria under Scenario No. 1 must be met to determine that a Cluster Study Project is Physically Infeasible—(1) the substation for the selected POI does not have any available bus positions, (2) the substation is not expandable electrically or within the existing substation footprint, *and* (3) adjacent usable vacant land is not available.⁷⁴

Second, the NYISO proposes adding to the third prong in Scenario No. 1 that the Transmission Owner is the party determining whether adjacent usable vacant land is available.⁷⁵

Third, to make clear that the evaluation of adjacent usable vacant land does not confer rights or title to the Transmission Owner’s real property, the NYISO proposes to clarify in Section 40.7.3.2 of Attachment HH that the Physical Infeasibility Screening (i) does not establish on behalf of the Cluster Study Project any rights or title to the Transmission Owner’s real property and (ii) does not create an obligation for a Transmission Owner to transfer, convey or use its real property rights on behalf of the Cluster Study Project or to acquire property on behalf of the Cluster Study Project.⁷⁶ This proposed language is caveated, however, to make clear it is subject to the “Land of Other Property Owners” requirements in, as applicable, the Standard

⁷³ *Id.* § 40.7.3.2.

⁷⁴ Proposed revisions to OATT Attach. HH § 40.7.3.2(1)(i).

⁷⁵ *Id.* § 40.7.3.2(1)(i).

⁷⁶ *Id.* § 40.7.3.2.

Interconnection Agreement, Standard Upgrade Construction Agreement, or Standard Multiparty Upgrade Construction Agreement.

The NYISO proposes to move what is currently subsection (c) in Scenario No. 1—“proposals by Interconnection Customer are inconsistent with Good Utility Practice or Applicable Reliability Requirements”—to its own subsection within Section 40.7.3.2 to clarify that it is its own category of Physical Infeasibility—Scenario No. 2.⁷⁷

The NYISO also proposes to add a new category of Physical Infeasibility—Scenario No. 5—to capture the scenario under which a required Attachment Facility, System Upgrade Facility or Distribution Upgrade required for the Cluster Study Project is Physically Infeasible.⁷⁸ This aligns with the current language in Section 40.7.3.3 that provides that Physical Infeasibility can be identified at any time in the Cluster Study Process.

Additionally, throughout Section 40.7.3.2, the NYISO proposes to add a reference to “Affected Transmission Owner” to capture Physical Infeasibility issues that may be identified on Affected Transmission Owners’ facilities.

These revisions are just, reasonable, and appropriate independent entity variations. They clarify the intended interpretation of the Physical Infeasibility definition. They will ensure consistent application when applying the Physical Infeasibility definition during the Physical Infeasibility screening and in the identification of upgrades that are required but Physically Infeasible. Accordingly, they will help to eliminate unnecessary withdrawals and reduce the number of disputes.

ii. *Limit the Scope of Post-Interconnection Request Validation Modeling and Other Information Requests and Align Deficiency Cure Periods*

After an Interconnection Customer’s Interconnection Request is validated, the NYISO, Connecting Transmission Owner or Affected Transmission Owner may request the following additional information from the Interconnection Customer: (1) Transmission Owner-specific technical information requested by the Transmission Owner for purposes of the Transmission Owner’s performance of the Phase 1 Study; (2) information to cure deficiencies in technical data or Facility models that is found to be incomplete or contains errors; and (3) additional information required from the Interconnection Customer for the NYISO, Connecting Transmission Owner or Affected Transmission Owner to perform its responsibilities required under the Standard Interconnection Procedures.⁷⁹

a. *Scope of Post-Interconnection Request Validation Modeling Requests*

In the Transition Cluster Study, numerous deficiencies were identified in response to post-Interconnection Request validation information requests. In some instances, deficiencies

⁷⁷ *Id.* § 40.7.3.2(2).

⁷⁸ *Id.* § 40.7.3.2(5).

⁷⁹ OATT Attach. HH §§ 40.5.7.3.1, 40.5.7.4.

were due to inconsistencies in information the Interconnection Customer provided in the Interconnection Request and information provided in response to the Transmission Owner's information request. To eliminate the potential for such inconsistencies, the NYISO proposes to limit the scope of Transmission Owner-specific technical information requests to information the Interconnection Customer has not already provided as part of its Interconnection Request.⁸⁰

The NYISO also proposes to require additional data with the Interconnection Request form from which the NYISO will produce models on behalf of Interconnection Customers instead of validating Interconnection Customer models after the Interconnection Request has been validated. This will reduce the number of subsequent information requests and iterative reviews of modeling deficiencies.

These revisions are just, reasonable, and appropriate independent entity variations because they will reduce confusion, make it less burdensome for all parties to track various deadlines, and provide clarity on the cure periods for Interconnection Customers, thereby decreasing the likelihood of withdrawals and subsequent disputes.

b. Alignment of Deficiency Cure Periods for Post-Interconnection Request Validation Information Requests

Should the NYISO or applicable Transmission Owner identify any deficiencies in the information provided by the Interconnection Customer in response to post-Interconnection Request validation information requests, the Interconnection Customer is subject to specific deficiency cure periods.⁸¹ The various deadlines that exist for Transmission Owners to request technical information, for the NYISO and Transmission Owners to review and identify deficiencies, and for Interconnection Customers to address such requests or deficiencies vary in timing, which caused confusion for Interconnection Customers during the Transition Cluster Study Process.

For example, for Transmission Owner-specific technical information:

- The Interconnection Customer must submit the requested technical information⁸² to the applicable Transmission Owner within 10 Business Days of the NYISO's notification to the Interconnection Customer that the Interconnection Request has been validated.⁸³
- Then, the Transmission Owner has 14 Calendar Days to identify any deficiencies in the information submitted by the Interconnection Customer.⁸⁴

⁸⁰ Proposed revisions to OATT Attach. HH §§ 40.7.3.1.

⁸¹ OATT Attach. HH §§ 40.5.7.3.1 – 40.5.7.3.4

⁸² Such information requests are included in the interconnection projects portal for the Interconnection Customer.

⁸³ OATT Attach. HH § 40.5.7.3.1.

⁸⁴ *Id.* § 40.5.7.3.2.

- If the Transmission Owner issues a notice of deficiency to the Interconnection Customer, the Interconnection Customer has another 10 Calendar Days to provide additional information to cure any deficiencies.⁸⁵
- The Transmission Owner then has 10 Calendar Days to review the submitted information and, if applicable, issue an additional notice of deficiency to the Interconnection Customer.⁸⁶
- The Interconnection Customer will have yet another 10 Calendar Days to cure the deficiency and submit the information to the Transmission Owner.

For other post-Interconnection Request validation information requests (*e.g.*, requests for information to clarify or correct technical data provided by Interconnection Customer, including the Facility model that is incomplete or contains errors), the Interconnection Customer must respond to such information requests within 10 Business Days of the information request.⁸⁷

To clarify this process, the NYISO proposes to align the above time periods to all be 10 Business Days.⁸⁸ The NYISO also proposes that the trigger for the Interconnection Customer's initial response to a Transmission Owner-specific technical information request be a post-validation request from the applicable Transmission Owner as opposed to the current trigger being validation of an Interconnection Request.⁸⁹ These changes are just, reasonable, and appropriate independent entity variations because they will clarify requirements and reduce confusion.

iii. Eliminate Withdrawal Cure Periods for Certain Time-Critical Deficiencies

Throughout the Cluster Study Process, a Cluster Study Project that is issued a withdrawal notice is afforded a cure period to attempt to cure certain withdrawal-triggering deficiencies.⁹⁰ In the alternative, the Interconnection Customer may, within 15 Business Days, notify the NYISO that it intends to initiate Dispute Resolution.⁹¹ For most deficiencies, the withdrawal cure period is 15 Business Days. For failure to make timely payment on an invoice or to submit a deposit required by the Standard Interconnection Procedures, however, the cure period is 10 Business Days.

Consistent with the prior Large Facility Interconnection Procedures in Attachment X to the NYISO OATT, the current withdrawal provisions include certain exceptions to the deficiency cure period for certain deficiencies that cannot be cured in the standard 15-Business

⁸⁵ *Id.* § 40.5.7.3.3.

⁸⁶ *Id.* § 40.5.7.3.2.

⁸⁷ *Id.* § 40.5.7.4.

⁸⁸ Proposed revisions to OATT Attach. HH §§ 40.5.7.3.1 – 40.5.7.3.4

⁸⁹ *Id.* § 40.5.7.3.1.

⁹⁰ OATT Attach. HH § 40.6.4.

⁹¹ *Id.*

Day period. For such deficiencies, the only way an Interconnection Customer can seek to resolve the deficiency is to initiate Dispute Resolution. Currently, the exceptions are:

- the deadline to address deficiencies in the Interconnection Request under Section 40.5.7.2;
- the deadline to submit information in response to a Transmission Owner-specific information request under Section 40.5.6.3.3;⁹² and

By contrast, the withdrawal provisions in OATT Attachment X included additional exceptions to the withdrawal cure period for time-critical deadlines, specifically:

- the deadlines for cost allocation acceptance decisions and the payment of cash or posting of Security in the decision periods for the Class Year Interconnection Facilities Study and the Additional SDU Study;
- the deadlines for study agreement execution and submittal of deposits for the Class Year Interconnection Facilities Study; and
- the deadlines for satisfaction of applicable regulatory milestone requirements.⁹³

Similar time-critical deadlines exist in the Cluster Study Process and the NYISO is now proposing to exempt them from the current default 15-Business Day withdrawal cure period.

First, the NYISO proposes to make the required elections to enter the Phase 1 Study and Phase 2 Study exceptions to the 15-Business Day withdrawal cure period.⁹⁴ Following the Customer Engagement Window, the Phase 1 Entry Decision Period is a 5-Business Day period where Interconnection Customers elect whether their Cluster Study Projects will proceed to the Phase 1 Study and pay the required Readiness Deposit 1.⁹⁵ Similarly, following the Phase 1 Study, the Phase 2 Entry Decision Period provides Interconnection Customers 10 Business Days to elect whether their Cluster Study Projects will proceed to the Phase 2 Study and pay the required Readiness Deposit 2.⁹⁶ At the completion of the Phase 2 Study, the Final Decision Period will commence with iterative decision rounds for Interconnection Customers to elect whether to accept the Project Cost Allocations for CTOAF, Distribution Upgrades, System Upgrade Facilities and System Deliverability Upgrades identified for its Cluster Study Project and to pay cash or post Security for the allocated amount.⁹⁷

If an Interconnection Customer wishes to move forward into the next phase of the Cluster Study Process, it must perform two actions during the Phase 1 or Phase 2 Entry Decision Period:

⁹² *Id.* § 40.6.4.

⁹³ OATT Attach. X §§ 30.3.6 (citing OATT Attach. X § 30.8.1 and OATT Attach. S §§ 25.6.2.3.2, 25.8.2).

⁹⁴ Proposed revisions to OATT Attach. HH § 40.6.4.

⁹⁵ OATT Attach. HH § 40.7.5.

⁹⁶ *Id.* § 40.10.8.

⁹⁷ *Id.* § 40.15.

(1) affirmatively elect to move forward to the next phase; and (2) submit the relevant Readiness Deposit.⁹⁸ At the end of the Phase 2 Study, to proceed to the interconnection agreement stage, an Interconnection Customer must accept its Project Cost Allocation for required upgrades and pay cash or post Security for the allocated amount in the Final Decision Round of the Final Decision Period.⁹⁹

If an Interconnection Customer fails to elect to proceed to Phase 1 or Phase 2 or to provide Readiness Deposit 1 or Readiness Deposit 2 by the close of the applicable decision period, the NYISO issues a Withdrawal notice to the Cluster Study Project. Under the current Standard Interconnection Procedures in Section 40.6.4 of Attachment HH, Interconnection Customers are afforded a 10-Business Day cure period to submit the applicable Readiness Deposit 1 or Readiness Deposit 2.¹⁰⁰ This cure period extends into the beginning of the next Phase of the Cluster Study.

During the Transition Cluster Study, allowing this additional time for Interconnection Customers to cure Withdrawals related to entering the Phase 1 Study or Phase 2 Study created short-term uncertainty regarding the list of Cluster Study Projects entering the next Phase. This delayed finalization of the list of Cluster Study Projects requiring Phase 1 Studies and also triggered additional study delays caused by revisions of base cases and associated study files, which also impacted the preliminary Phase 2 Study work. The NYISO and Transmission Owners are on an already expedited timeframe to complete the work in the Cluster Study Process and any delay caused by Withdrawals can have a cascading effect on the overall study timeframe.

To minimize these impacts, the NYISO proposes to establish additional exceptions to the 15-Business Day withdrawal cure period, consistent with its practice under the prior Class Year Interconnection Facilities Study process.¹⁰¹ In addition to the existing exception for deficiencies in Transmission Owner-specific technical information requests, the NYISO proposes to add the following exceptions:

- the deadline for responses to any post-Interconnection Request validation information requests under Sections 40.5.7.3 or 40.5.7.4;
- the deadline for Decision Period 1 set forth in Section 40.7.5;
- the deadline for Decision Period 2 set forth in Section 40.10.8.3; and
- the deadlines for the Final Decision Period and Additional SDU Decision Periods set forth in Section 40.15.2.

⁹⁸ *Id.* §§ 40.7.5, 40.10.8.

⁹⁹ *Id.* § 40.21.1.1.

¹⁰⁰ *Id.* § 40.6.4.1.

¹⁰¹ OATT Attach. X § 30.3.6.

Additionally, the NYISO proposes to remove Section 40.6.4.1(i) which provides for a 10-Business Day cure period for failure to timely make a payment or submit a deposit required by the Standard Interconnection Procedures. Failure to submit the initial study deposit would be an uncurable deficiency pursuant to new Section 40.6.4.1(i). Failure to submit Readiness Deposit 1 would be an uncurable deficiency under new Section 40.6.4.1(ii), and failure to submit Readiness Deposit 2 would be an uncurable deficiency under new Section 40.6.4.1(iii).

Eliminating cure periods for the specific actions described above is just, reasonable, and an appropriate independent entity variation because it will reduce the potential for study delays. Although Interconnection Customers would not be afforded the default cure period to satisfy the deficiencies that led to the withdrawal, the Interconnection Customer can initiate Dispute Resolution concerning the deficiencies that led to the withdrawal.¹⁰² This preserves a mechanism for any Interconnection Customer to contest the withdrawal.

iv. Clarify how an Interconnection Customer in Dispute Resolution can Conditionally Enter the Next Study Phase

The NYISO's Standard Interconnection Procedures establish decision periods with tariff-prescribed deadlines during which an Interconnection Customer must indicate its election to enter into, as applicable, the Phase 1 Study or Phase 2 Study and satisfy the related entry requirements.¹⁰³ If an Interconnection Customer does not satisfy the requirements during the applicable decision period, its Cluster Study Project will not be eligible to proceed in that Cluster Study and will be withdrawn.

In administering the Transition Cluster Study, the NYISO identified a timing issue that can occur if an Interconnection Customer raises a dispute in accordance with the Dispute Resolution provisions in the Standard Interconnection Procedures that cannot be resolved prior to the conclusion of a decision period.¹⁰⁴ For example, an Interconnection Customer withdrawn due to a finding of Physical Infeasibility could initiate a dispute near the end of the Customer Engagement Window. In such case, the Dispute Resolution process may not be resolved until after the 5-Business Day timeframe for the Phase 1 Entry Decision Period has been completed, after which point the Interconnection Customer cannot satisfy the decision period requirements and would presumably not be able to obtain a retroactive waiver of the requirements at the Commission.

To address this timing issue, the NYISO proposes to permit an Interconnection Customer to conditionally enter the Phase 1 Study or Phase 2 Study if it has a pending dispute.¹⁰⁵ To do so, the Interconnection Customer would have to satisfy during the decision period all of the entry requirements for the applicable study, including the applicable readiness deposit payment.¹⁰⁶ If a Cluster Study Project that used conditional entry is ultimately withdrawn from the Queue based

¹⁰² OATT Attach. HH § 40.24.5.

¹⁰³ *Id.* §§ 40.7.5, 40.10.8.

¹⁰⁴ *Id.* § 40.24.5.

¹⁰⁵ Proposed revisions OATT Attach. HH §§ 40.7.5.3, 40.10.8.3.

¹⁰⁶ *Id.*

on the resolution of the dispute, the NYISO will refund the Cluster Study Project its readiness deposit.¹⁰⁷ The proposed revisions are just, reasonable, and an appropriate independent entity variations because they will ensure that Cluster Study Projects that are ultimately determined in a dispute resolution proceeding to be eligible to proceed in the Cluster Study are not foreclosed from doing so because they were not permitted to satisfy the requirements to move on to the next process stage.

D. Other Proposals to Improve Efficiencies in the Cluster Study

i. Clarify Contingent Project Withdrawal Rules

As described in Section IV.A.ii, the Standard Interconnection Procedures permit Interconnection Customers with Cluster Study Projects participating in an ongoing Cluster Study—Pending Projects—to submit the same project as a Contingent Project during the Application Window for the next Cluster Study. If the Pending Project accepts its Project Cost Allocation in the Final Decision Period in its ongoing Cluster Study, the Contingent Project will be withdrawn without penalty from the subsequent Cluster Study.¹⁰⁸

The applicable tariff section uses the term “Final Decision Round.” This has led to confusion among Interconnection Customers. The intent of this tariff provision is that if, in any round of the iterative Final Decision Period, a Pending Project accepts its Project Cost Allocation, that its Contingent Project will be withdrawn, even if such acceptance does not occur in the Final Round of the Final Decision Period. To clarify this provision, the NYISO proposes to revise the applicable language to provide that if the Interconnection Customer accepts the SUF Project Cost Allocation or the CTOAF and SUF Project Cost Allocation required for the ERIS for the Pending Project in any decision round in the Final Decision Period, then the ISO shall withdraw the Contingent Project.¹⁰⁹ This clarification will help to avoid confusion regarding the timing of a Contingent Project’s withdrawal from the subsequent Cluster Study and is thus just, reasonable, and an appropriate independent entity variation.

ii. Clarify Final Decision Period Rules

In the Final Decision Period for the Cluster Study, the Interconnection Customers elect across one or more rounds whether to accept the costs of the Connecting Transmission Owner’s Attachment Facilities and Upgrades identified for their respective Cluster Study Projects—its Project Cost Allocation—and to pay cash or post Security.¹¹⁰ After each round, the NYISO updates the cost estimates of the CTOAF, Distribution Upgrades, System Upgrade Facilities and System Deliverability Upgrades based on the Cluster Study Projects that did not accept their Project Cost Allocations. An Interconnection Customer with increased costs must then elect anew in the next round whether to accept its updated Project Cost Allocation and pay cash or

¹⁰⁷ *Id.*

¹⁰⁸ OATT Attach. HH § 40.5.4.1.3.1.

¹⁰⁹ Proposed revisions OATT Attach. HH §§ 40.5.4.1.3.1, 40.5.4.1.3.2, 40.5.4.1.3.3.

¹¹⁰ OATT Attach. HH § 40.15.

post Security for the updated amount, unless its costs do not increase by greater than 10%.¹¹¹ In the latter case, the Interconnection Customer does not have the opportunity to make a new election in the round and is deemed to have accepted its Project Cost Allocation based on its prior acceptance.¹¹² When all remaining Interconnection Customers have accepted (or are deemed to have accepted) their cost allocations and paid cash or posted Security, the Final Decision Period is concluded. The NYISO will then tender to those remaining Interconnection Customers, as soon as practicable, draft Standard Interconnection Agreements, Standard Upgrade Construction Agreements, and/or Multiparty Standard Upgrade Construction Agreements, as applicable.

The NYISO proposes to clarify how it calculates the greater than 10% amount for purposes of the Final Decision Period requirements. In particular, the NYISO proposes that the greater than 10% amount be measured against the last Project Cost Allocation accepted by the Interconnection Customer in a prior round of the Final Decision Period.¹¹³ That is, the “greater than 10%” amount will be determined not based on cost increases between individual rounds but based on the cumulative increase in costs that occurs across multiple rounds.

As an example, assume an Interconnection Customer accepted its Project Cost Allocation in the first round of a Final Decision Period, and this allocation increased by 5% for purposes of the second round, and an additional 9% for purposes of a third round. The Interconnection Customer’s Project Cost Allocation would not have increased by greater than 10% for any individual round, but its allocation would have cumulatively increased by greater than 10%. For this example, as clarified by the NYISO’s proposed tariff revisions, the Interconnection Customer would not be required to make a new election for its Project Cost Allocation in the second round, but would have to make a new election in the third round as its Project Cost Allocation was now greater than 10% of the previous allocation it accepted. When it adopted the “greater than 10%” requirement, the NYISO noted that the Interconnection Customer can factor the potential for the 10% change in cost estimates when making its determination as to whether to accept its Project Cost Allocation.¹¹⁴ If, however, the “greater than 10%” amount was based solely on changes between individual rounds, rather than cumulatively, an Interconnection Customer could face a situation in which its cost increases end up cumulatively much higher than 10%, but it does not have the opportunity to make a new election. The Interconnection Customer would not be positioned to reasonably determine this potential cost exposure when making its initial Project Cost Allocation determination. The NYISO’s proposed clarification will avoid this unreasonable outcome and is therefore just, reasonable, and an appropriate independent entity variation.

¹¹¹ *Id.* § 40.15.2.5.

¹¹² Prior to the inclusion of the “greater than 10%” rule, the NYISO was required to conduct another round in the Final Decision Period if any Interconnection Customer’s cost increased between rounds, even if the increased amount was de minimis. This could unreasonably prolong the Cluster Study for the participating Interconnection Customers and delay commencing the next study.

¹¹³ Proposed revisions to OATT Attach. HH § 40.15.2.5.

¹¹⁴ *See* NYISO’s Initial Order No. 2023 Compliance Filing at 66.

iii. Assess Interest on Unpaid Invoices

The NYISO invoices Interconnection Customers on a monthly basis for costs incurred under the Cluster Study Process.¹¹⁵ An Interconnection Customer is required to pay the invoiced amount to the NYISO within 30 Calendar Days of the NYISO's issuance of an invoice.¹¹⁶ If the Interconnection Customer fails to timely pay the invoiced amount, it is subject to withdrawal.¹¹⁷ Currently such withdrawal provides for a 10 Business Day cure period.¹¹⁸

The NYISO does not draw down the Interconnection Customer's Study Deposit to cover unpaid invoices. Under the NYISO's Cluster Study Process, the Interconnection Customer's Study Deposit is maintained until the Cluster Study Project is withdrawn or has completed a Cluster Study and final invoicing for study work has been reconciled. Specifically, for Interconnection Customers that accept their respective CTOAF and SUF Project Cost Allocation and pay cash or post Security for the allocated amount in the Final Decision Period, the NYISO reconciles the Interconnection Customer's costs incurred in the Cluster Study Process and Interconnection Customer's payment of all invoices, and then proceeds with the return and cancellation process in Section 40.24.3 for the Study Deposit and Readiness Deposit 2.¹¹⁹

Separate from the Interconnection Customer's payment to the NYISO for study work invoices, the NYISO is obligated, under contractual agreements with Transmission Owners and consultants, to pay for their services regardless of whether and when the Interconnection Customer satisfies its payment obligations. Interconnection Customers that fail to timely pay invoices therefore subject the NYISO to financial exposure risk.

For its Transition Cluster Study, the NYISO has had a number of Cluster Study Projects fail to timely pay invoices, often triggering withdrawals. Out of 347 Cluster Study Projects, 259 have had at least one late-paid invoice. In most instances of withdrawal, the Interconnection Customer uses the withdrawal cure period to make such payments, often waiting until the last day of the cure period to do so. While the current rules provide Interconnection Customers with this unintended flexibility, the NYISO does not have corresponding latitude in its payment obligations to Transmission Owners and consultants for their study work. The NYISO cannot postpone its payments for study work incurred in the Cluster Study Process and charged by the respective Transmission Owners and consultants merely because an Interconnection Customer fails to timely pay its invoice.

To minimize the negative financial impact to the NYISO of untimely payments by Interconnection Customers and to incentivize timely payment, the NYISO proposes to subject

¹¹⁵ OATT Attach. HH § 40.24.3.4.1.

¹¹⁶ *Id.* § 40.24.3.4.2.

¹¹⁷ *Id.*

¹¹⁸ *Id.* § 40.6.4.

¹¹⁹ *Id.* § 40.15.4.2(i). The same process applies to CRIS-Only Cluster Study Projects for which the Interconnection Customer accepts its SDU Project Cost Allocation or Deliverable MW and pays cash or posts Security in the Final Decision Round of the Final Decision Period or Additional SDU Decision Period, as applicable. *Id.* This process also applies to a CRIS-Only Cluster Study Project is part of an Additional SDU Study and such study is terminated in accordance with Section 40.14.2 of Attachment HH. *Id.*

Interconnection Customers to interest for unpaid invoiced amounts to be calculated in accordance with the interest rate established by the Commission's regulations.¹²⁰ The proposal is consistent with existing tariff provisions that allow the NYISO to assess interest on late payments made by Market Participants related to their participation in the NYISO markets.¹²¹ Protecting the NYISO from financial risks and incentivizing timely payments by Interconnection Customers is just, reasonable, and an appropriate independent entity variation.

E. Pre and Post Cluster Study Process Improvements

i. Limit Number of POIs per Pre-Application Request

The NYISO's Standard Interconnection Procedures include a Pre-Application Report process by which a prospective Interconnection Customer may request from Transmission Owners information concerning potential points of interconnection based on readily available data.¹²² This process provides an additional mechanism for an interested entity to obtain information in developing its proposed Cluster Study Project prior to submitting an Interconnection Request.

The NYISO commenced the Pre-Application Report process shortly after submitting its Order No. 2023 compliance filing in 2024, which process has been actively used by interested entities. Currently, the process allows a prospective Interconnection Customer to request a Pre-Application Report for two POIs, subject to a non-refundable fee of \$5,000 for each POI. The NYISO has determined that where there are two POIs, there may be two different Connecting Transmission Owners, making a single Pre-Application Report impractical.

Accordingly, the NYISO proposes to remove the requirement that the report cover up to two POIs for each request.¹²³ The NYISO's proposed revisions do not prohibit an interested entity from submitting multiple requests with the applicable fee. Eliminating a potentially impractical requirement is a just and reasonable enhancement and an appropriate independent entity variation in the NYISO context.

ii. Provide Additional Clarity in Pre-Application Report

For the Pre-Application Report process, the applicable Connecting Transmission Owner, in coordination with any Affected Transmission Owner(s), will complete and return to the requesting entity a Pre-Application Report in the form set forth in Section 40.25.4 of Attachment HH. The NYISO proposes certain revisions to the form to clarify and provide for additional detail for certain data elements. In particular, under "Additional information," the NYISO proposes to create individual data input prompts for: known physical feasibility issues, available

¹²⁰ Proposed revisions to OATT Attach. HH § 40.24.3.4.2.

¹²¹ MST § 7.3 (providing that, "[i]nterest on any unpaid amount whether owed to a Customer or to the ISO (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a (a)(2)(iii). Interest on unpaid amounts shall be calculated from the due date of the bill to the date of payment.").

¹²² OATT Attach. HH § 40.4.2.

¹²³ Proposed revisions to OATT Attach. §§ 40.4.2.1; 40.25.4.

breaker positions, planned transmission upgrades, breaker rating, and existing/know constraints. The proposed improvements are just, reasonable, and an appropriate independent entity variation because they will facilitate the Transmission Owner's provision of this information and provide information in a more useful format for Interconnection Customers.

iii. Enhance Rules for Extensions of Commercial Operation Dates

a. Existing Extension Requirements for Commercial Operation Date

The NYISO's Standard Interconnection Procedures establish requirements for determining whether an Interconnection Customer's request to extend its project's Commercial Operation Date ("COD") constitutes a Material Modification. The NYISO's existing rules permit an Interconnection Customer to extend its project's COD as a matter of right up to four years after the completion of the final interconnection study for the project.¹²⁴ An Interconnection Customer may request an extension beyond this four-year period, which request will not be a Material Modification if the NYISO determines that the Interconnection Customer has satisfied the requirements of the following three components.¹²⁵

Component 1 – The Interconnection Customer must demonstrate that its project satisfies one of the following three bases for the extension:

- 1) The Interconnection Customer demonstrates via an officer certification (i) that its facility cannot meet the four-year timeframe due to its technology type or due to the sequencing of work on the transmission or distribution system that is beyond its control and (ii) that its project is still progressing to the extent possible;¹²⁶ or
- 2) The Interconnection Customer may demonstrate via an officer certification that it has made reasonable progress against the milestones in its interconnection agreement;¹²⁷ or
- 3) The Interconnection Customer's requested extended COD is on or before May 2, 2028.¹²⁸

Component 2 – The Interconnection Customer must also provide the NYISO with a milestone schedule agreed upon with the Connecting Transmission Owner, which agreement cannot be unreasonably withheld, that provides for the project to meet its requested extended COD.¹²⁹

¹²⁴ OATT Attach. HH § 40.6.3.4. For Small Generating Facilities, the four year period commences when the NYISO tenders the draft interconnection agreement. OATT Attach. HH § 40.6.3.4.3.

¹²⁵ *Id.* § 40.6.3.5.

¹²⁶ *Id.* § 40.6.3.5.1.2.

¹²⁷ *Id.* § 40.6.3.5.1.3. Examples of reasonable progress provided for in the tariff include (i) completion of engineering design, (ii) major equipment orders, (iii) commencement and continuation of construction of the Facility and associated attachment facilities or upgrades, (iv) completion of applicable permitting process, or (v) application of the applicable primary siting permitting process deemed complete with demonstration that project is on course to obtain final permit in time to meet requested COD. *Id.*

¹²⁸ *Id.* § 40.6.3.5.1.1.

¹²⁹ *Id.* § 40.6.3.5.2.

Component 3 – In connection with the requested extension, the NYISO, in coordination with the applicable Connecting Transmission Owner(s) and Affected Transmission Owner(s), will determine whether and when an update is required to the cost estimates of the CTOAF, Distribution Upgrades, or System Upgrade Facilities for an Interconnection Customer’s project due to the extension (“Cost Estimate Update”).¹³⁰ If an update is required, the Interconnection Customer must agree in writing that the Cost Estimate Update will be performed at its expense and that the extension is subject to its acceptance and provision of Security for any additional cost estimates.¹³¹ The applicable Transmission Owner(s) will perform the Cost Estimate Update.¹³² If the update identifies revised cost estimates, the Interconnection Customer can only proceed with the extension if, within 10 Business Days of the conclusion of the update, it accepts the updated cost allocation and posts Security to the Transmission Owner for the revised amount.¹³³ The revised amount will be used for the Security amount that is subject to forfeiture if the project withdraws and as the updated baseline for allocating any actual costs for attachment facilities and upgrade incurred above the estimated amount.¹³⁴ The need and timeframe for a Cost Estimate Update, and the updated cost estimate amount, will be addressed in the project’s applicable interconnection agreement.¹³⁵

b. Proposed Revisions to COD Extension Rules

The NYISO’s requirements concerning establishing and extending a project’s COD are intended to provide Interconnection Customers with a reasonable amount of time for their commercially ready projects that are diligently progressing to be completed and enter service, while discouraging those projects that are speculative or less commercially ready to linger in the Queue. In its Order No. 2023 proceeding, the NYISO proposed, and the Commission accepted, significant revisions to the NYISO’s then effective COD extension requirements. As part of these revisions, the NYISO adopted certain generous extension rules and process flexibility to account for the unique circumstances associated with the COVID-19 pandemic and the related supply chain and inflation impacts. These factors were in many cases beyond Interconnection Customers’ control and were resulting in a substantial number of projects in New York being delayed and unable to otherwise satisfy the then-existing extension rules. Among these requirements, the NYISO permitted any project to extend its COD up to May 2, 2028, only conditioned on that project being subject to an agreed-upon update to its milestones and a Cost Estimate Update. The NYISO also removed requirements that an Interconnection Customer

¹³⁰ *Id.* § 40.6.3.5.3. For this determination, the NYISO and Transmission Owners will consider the requested length of the extension, the duration in time since the cost estimates were determined in the interconnection study, the updated milestone schedule, and whether the interconnection facilities are shared with other projects. *Id.*

¹³¹ *Id.*

¹³² *Id.* If the Transmission Owner determines that equipment identified for the project in its interconnection study is no longer available, the Transmission Owner may, as part of the update, identify and provide cost estimates for the replacement equipment that is available. *Id.*

¹³³ *Id.*

¹³⁴ *Id.* §§ 40.6.3.5.3, 40.16.3.

¹³⁵ *Id.* § 40.6.3.5.3.

could only request an extension if it had an effective interconnection agreement and provided additional bases by which an Interconnection Customer could obtain an extension.

Interconnection Customers have made use of these updated COD extension requirements, with most projects that have, or are in the process of negotiating, interconnection agreements requesting an extension of their COD beyond the standard four-year time period. Since the current COD extension requirements were adopted, only a limited number of projects have entered service or are scheduled to do so in the near term. While many of the extensions may have a reasonable basis (*e.g.*, expanding project costs, procurement delays), COD extensions have gone from being an exception to a normal course of action. Accordingly, the NYISO proposes certain reforms to its COD extension requirements to continue to incentivize progress towards project completion without encouraging speculative or less commercially ready projects to remain in the Queue.

At a high level, the NYISO's proposed reforms will provide more flexibility upfront for the parties to establish a realistic COD as part of the negotiation of an interconnection agreement but will then apply more stringent requirements for subsequent requests to extend that COD. In particular, the NYISO proposes the following revisions.

First, the NYISO proposes to modify the time period that an Interconnection Customer is permitted to extend its project's COD as a matter of right from four years to five years after the completion of the final interconnection study for the project.¹³⁶ This time period accounts for the current reality of longer project development timeframes in the NYISO and provides a more reasonable basis for setting the COD in the interconnection agreement in the NYISO context. For projects participating in the Transition Cluster Study or a prior NYISO Class Year Interconnection Facilities Study or facilities study under the Small Generator Interconnection Procedures, the Transmission Owner performed the interconnection studies for these projects and determined cost estimates assuming a COD no longer than four-years beyond the scheduled completion date of the Transition Cluster Study. If a project in one of these studies seeks a COD beyond a four-year period, it will therefore have to satisfy the requirements for a Cost Estimate Update to better account for the additional project development time in the cost estimates.¹³⁷

Second, the NYISO proposes that the Interconnection Customer, Connecting Transmission Owner, and NYISO may agree to a COD period beyond this five-year period in certain circumstances for inclusion in the initial interconnection agreement for the project. This will enable the parties to establish a realistic COD in the interconnection agreement due to either: (i) the attributes of the technology type of the Facility (*e.g.*, offshore wind facilities, nuclear facilities, or other facilities which are technology types that typically take longer than a five-year period to enter service) or (b) the expected sequencing of work on the transmission system that is beyond the Interconnection Customer's control (*e.g.*, expected unavailability of required system outages, expected delays in the completion of facilities included in the base case of the

¹³⁶ Proposed revisions to OATT Attach. HH § 40.6.3.4. For Small Generating Facilities, the five-year period is calculated based on the date the NYISO tendered the draft interconnection agreement. OATT Attach. HH § 40.6.3.4.3.

¹³⁷ Proposed revisions to OATT Attach. HH § 40.6.3.4.

interconnection study).¹³⁸ As these time periods are longer than the timeframes anticipated in the project's interconnection studies, a project will have to satisfy the requirements of a Cost Estimate Update to account in the cost estimates for the additional project development time.¹³⁹

Third, after an Interconnection Customer has established its COD in its interconnection agreement, the Interconnection Customer will have to satisfy three revised components for a further COD extension not to be a Material Modification. These three components are similar to the existing rules for such further extensions with the following revisions.

First Revised Component – As revised, with a limited exception, an Interconnection Customer may only obtain a subsequent extension of its COD if: (i) it has an executed interconnection agreement or an unexecuted agreement accepted by the Commission and (ii) it demonstrates (via an officer certification) that it has made reasonable progress in the development of its project against the milestones included in the interconnection agreement, including progress within the six months prior to the request.¹⁴⁰ Accordingly, Interconnection Customers will have a longer initial time period to establish their COD, but can extend beyond this period only if they meet these more stringent extension requirements. The one exception is that the NYISO proposes to retain an Interconnection Customer's ability to extend its COD up to May 2, 2028, to avoid upsetting established expectations. However, this impacts a decreasing number of projects, as most projects are now requesting CODs beyond that date.¹⁴¹

Second Revised Component – The NYISO proposes to retain the requirement that the Interconnection Customer must demonstrate as part of its extension request that it has agreed-upon updated milestones with the Transmission Owner to meet the extended COD.¹⁴² The NYISO proposes to clarify that this includes any updated milestones with an Affected Transmission Owner, which Affected System work and timeframe may also be impacted by the COD extension.¹⁴³ In addition, the NYISO proposes to require that the Transmission Owner may request, and Interconnection Customer must furnish, supporting information and documentation demonstrating the status of the project in relation to the proposed milestones.¹⁴⁴

Third Revised Component – The NYISO also proposes to retain the requirements concerning the performance of a Cost Estimate Update with certain limited revisions. The Cost Estimate Update requirements apply to both attachment facilities and upgrades on the Connecting Transmission Owner's and any Affected Transmission Owners' systems; however,

¹³⁸ In the current COD extension rules, these requirements are used as a basis for subsequent COD extensions. Under the NYISO's proposed reforms, the parties will have flexibility upfront to account for such issues and set realistic CODs but then must demonstrate reasonable progress for further extensions.

¹³⁹ Proposed revisions to OATT Attach. HH § 40.6.3.4.

¹⁴⁰ *Id.* §§ 40.6.3.5.1.2, 40.6.3.5.1.3, 40.6.3.5.1.4. The NYISO proposes to retain its existing examples in its tariff as to what constitutes reasonable progress. *Id.*

¹⁴¹ In addition, projects that participated in the previous Class Year Interconnection Facilities Study for Class Year 2023 are already permitted as a matter of right to establish a COD up to December 2028 as that Class Year Study was completed in December 2024.

¹⁴² Proposed revisions to OATT Attach. HH § 40.6.3.5.2.

¹⁴³ *Id.* § 40.6.3.5.2.

¹⁴⁴ *Id.* § 40.6.3.5.2.

certain of the existing requirements only reference the Connecting Transmission Owner. Accordingly, the NYISO proposes to insert Affected Transmission Owner in these provisions.¹⁴⁵ In addition, the Cost Estimate Update requirements currently require that the Interconnection Customer accept its updated cost estimates and post the related additional cash or Security within 10 Business Days. Based on its experience implementing these requirements, the NYISO proposes to include additional flexibility into these requirements, which currently include tight timeframes and do not account for alternative security arrangements that may be agreed to between the Interconnection Customer and Transmission Owner. Accordingly, the NYISO proposes that, if a Cost Estimate Update identifies revised cost estimates, the Interconnection Customer may only proceed with its extension if within 30 Calendar Days of the conclusion of the update or such other time period mutually agreed upon with the Transmission Owner, and the Interconnection Customer: (i) accepts the revised cost estimate, and (ii) provides cash or posts Security to the Transmission Owner for the revised estimates to the extent agreed to by the Transmission Owner. Finally, the NYISO proposes to clarify that the updated estimates and the related additional cash or Security will be included in the project's interconnection agreement.

Fourth, the NYISO's interconnection study processes require that an Interconnection Customer must pay cash or post Security at the conclusion of the applicable study process for the project to proceed to enter an interconnection or construction agreement, which cash or Security is subject to forfeiture. This is a unique element of the NYISO's process that enables the NYISO to avoid costly and time and resource intensive restudies in the event the project later withdraws. In such case, the Transmission Owner which system is subject to the upgrade may make use of the forfeited Security if the upgrade has to be constructed because other projects are relying on it.

This requirement did not initially apply to Small Generating Facilities that were studied in a facilities study under its Small Generator Interconnection Procedures ("SGIP"). However, the NYISO subsequently determined that the withdrawal of Small Generating Facilities could have the same impacts on the transmission system and other subsequent projects as larger projects. Accordingly, in early 2024, the NYISO filed, and the Commission accepted, revisions to the NYISO's SGIP to require that an Interconnection Customer of a Small Generating Facility being studied in the SGIP accept the cost allocation determined in its facilities study and pay cash or post Security, which would be subject to forfeiture if the project withdrew and other projects were relying on its upgrades.¹⁴⁶

There remain, however, over 30 Small Generating Facilities in the NYISO's Queue that completed their facilities study prior to the adoption of these new rules and that are not yet in service.¹⁴⁷ The NYISO proposes that these Small Generating Facilities be subject to an additional requirement for an extension beyond the permitted five-year period not to be a

¹⁴⁵ *Id.* §§ 40.6.3.5.3, 40.6.3.5.3.2.

¹⁴⁶ *See N.Y. Indep. Sys. Operator, Inc.*, 186 FERC ¶ 61,188 (2024).

¹⁴⁷ Through the Order No. 2023 proceeding, the NYISO adopted the Standard Interconnection Procedures which are consolidated procedures that apply to all generating facilities seeking to interconnect, and the NYISO established transition rules that concluded the study of projects under its then-existing SGIP. The NYISO's Queue still includes a number of Small Generating Facilities that were studied under the SGIP and have, or are in the process of entering into, a Small Generator Interconnection Agreement.

Material Modification. In particular, to obtain such an extension, the Interconnection Customer of such facility must also agree that the cash or Security that it has provided to the Connecting Transmission Owner or Affected Transmission Owner, including any additional cash or Security provided in response to the Cost Estimate Update, is subject to the Security forfeiture requirements.¹⁴⁸ This is necessary as the upgrades associated with those Small Generating Facilities have been and continue to be included in the base cases of subsequent interconnection studies and may be relied upon by other projects. It is reasonable to require that if such projects propose to remain in the Queue for five years or longer after their study has been completed that their remaining in the Queue not harm other projects that accepted their own project cost estimates in reliance on the earlier projects. In the absence of such requirement, the costs of these relied-upon upgrades may harm the later developers or fall on ratepayers. The NYISO also proposes to insert conforming language in its Security forfeiture requirements that explicitly account for those Small Generating Facilities that are subject to the forfeiture requirements.¹⁴⁹

Finally, the NYISO proposes to add conforming language in its Security forfeiture provision to align the language in that provision with the existing tariff requirements in the COD extension requirements.¹⁵⁰ The proposed insert states that any additional cash or Security provided by an Interconnection Customer in response to a Cost Estimate Update required for a COD extension is also irrevocable and subject to the Security forfeiture requirements.¹⁵¹

The NYISO's proposed COD extension revisions are all just, reasonable, and appropriate independent entity variations. As discussed above, it is necessary to make adjustments in this area based on the NYISO's experience with existing provisions that have resulted in an overuse of COD extensions that threatens to complicate and slow the interconnection process to the potential detriment of third parties.

iv. Project Reporting Requirements

Currently, there are two reporting requirements for Interconnection Customers regarding the status of their projects. These requirements apply to Cluster Study Projects, Class Year Projects and Small Generating Facilities.

First, at the completion of the first calendar quarter following the Phase 2 Study Start Date, and at the conclusion of each subsequent calendar quarter, Interconnection Customers are required to submit an updated proposed Initial Backfeed Date, an updated proposed Synchronization Date, and an updated proposed COD.¹⁵²

Second, at the completion of the first month following the Phase 2 Study Start Date, and at the conclusion of every other month thereafter, for each Cluster Study Project not yet in-

¹⁴⁸ Proposed revisions to OATT Attach. HH § 40.6.3.5; proposed new OATT Attach. HH § 40.6.3.5.4.

¹⁴⁹ Proposed new OATT Attach. HH § 40.16.1.1.3.

¹⁵⁰ OATT Attach. HH § 40.6.3.5.3.3 ("Any updated cost estimate and Security shall be subject to the Security forfeiture requirements in Section 40.16.3....")

¹⁵¹ Proposed revisions to OATT Attach. HH §§ 40.16.1.1, 40.16.1.1.1, 40.16.1.1.2.

¹⁵² OATT Attach. HH § 40.11.6.1.

service, the Cluster Study Project, that Cluster Study Project's Connecting Transmission Owner and each Affected Transmission Owner must report on the progress of their respective activities.

The NYISO has found that both types of updates are much more useful after a project completes its applicable interconnection studies and that such updates need only be quarterly. The NYISO therefore proposes to update its project reporting requirements such that they do not commence until the interconnection agreement stage and are required quarterly instead of bimonthly.

In particular, the NYISO proposes that rather than two separate reporting obligations, there be only one quarterly reporting obligation. Specifically, the NYISO proposes that an Interconnection Customer for a Cluster Study Project, Class Year Project, or Small Generating Facility, their respective Connecting Transmission Owners, and any Affected Transmission Owners report on the progress of the milestones in a project's interconnection agreement, beginning at the completion of the first quarter following the NYISO's tendering of the interconnection agreement for the project and at the conclusion of each subsequent calendar quarter.¹⁵³

This change eliminates unnecessary reporting requirements during the Cluster Study Process and better facilitates the NYISO's ability to track the progress of Cluster Study Projects (as well as Class Year Projects and Small Generating Facilities that are not yet in-service). Among other things, these requirements will assist the NYISO in determining whether a project remains on target for its COD included in the NYISO's Queue or must seek an extension.

These proposed revisions also better align with quarterly reporting requirements in the NYISO's Reliability Planning Process Manual that require developers and Transmission Owners to submit status reports quarterly.¹⁵⁴

Consequently, the NYISO's proposed reporting revisions are just, reasonable, and an appropriate independent entity variation that reflects conditions in New York and the structure of the NYISO's Standard Interconnection Procedures.

F. Other Clarifications

- i. *Clarify Study Cost Allocation Rules for non-Cluster Studies Included in NYISO's Initial Order No. 2023 Compliance Filing but Found Out of Scope*

The NYISO's Standard Interconnection Procedures establish not only the requirements for its Cluster Study Process, but also requirements for the NYISO's performance of additional related studies, including the Expedited Deliverability Study, Fast Track Process supplemental review, and Facility Modification Request study. The NYISO proposes to consolidate in its

¹⁵³ Proposed revisions to OATT Attach. HH § 40.11.6.1.

¹⁵⁴ Reliability Planning Process Manual § 9.2, available at <https://www.nyiso.com/manuals-tech-bulletins-user-guides>.

study cost allocation provisions in Section 40.24.3.2 of Attachment HH its methodologies for allocating the costs of these additional studies.¹⁵⁵ These insertions are consistent with the existing descriptions in Attachment HH of the NYISO’s methodologies for allocating these studies’ costs, which approaches are consistent with cost causation principles.¹⁵⁶

In particular, for an Expedited Deliverability Study, in which multiple projects are studied collectively, each project participating in the study is responsible for an equal share for the study costs.¹⁵⁷ In addition, for purposes of the NYISO’s performance of a supplemental review under the Fast Track Process, the entity for which the study is being performed is responsible for the study costs.¹⁵⁸ Finally, the entity for which the NYISO performs a study in response to a Facility Modification Request is responsible for the study costs concerning that request.¹⁵⁹

ii. Other Ministerial/Minor Cleanup Edits

The NYISO’s proposed revisions to the OATT also include a number of minor revisions intended to clarify and clean up existing language, including consistent use of defined terms, revising defined terms for simplicity (*e.g.*, rename “Phase 1 Study Entry Decision Period” to “Decision Period 1”), updating references to the former Class Year Study, and various ministerial edits. These proposed revisions are referenced and explained in the following table:

Tariff Subsection	Description of Proposed Modification	Rationale for Proposed Modification
40.1	Revise definition of “Phase 1 Entry Decision Period” to “Decision Period 1” to eliminate confusion.	Streamline definitions to avoid confusion.
40.1	Revise definition of “Phase 2 Entry Decision Period” to “Decision Period 2” to eliminate confusion.	Streamline definitions to avoid confusion.
40.1	Add “and Physically Infeasible” to the definition for “Physical Infeasibility”	Create define term for both Physical Infeasibility and Physically Infeasible for consistency.

¹⁵⁵ The NYISO proposed to insert these methodologies as part of its compliance filing with Order No. 2023. The Commission determined that these revisions were outside the scope of the compliance proceeding and did not accept them, without prejudice for the NYISO proposing the language in a future Section 205 filing. *N.Y. Indep. Sys. Operator, Inc.*, 191 FERC ¶ 61,049 at P 119.

¹⁵⁶ OATT Attach. HH §§ 40.6.3.2, 40.19.3.4, 40.24.3.2.4.

¹⁵⁷ Proposed revisions to OATT Attach. HH § 40.24.3.2.2. Section 40.19.3.4 currently provides that each Interconnection Customer shall pay an equal share of the actual cost of the combined Expedited Deliverability Study.

¹⁵⁸ *Id.* §§ 40.23.4.3, 40.24.3.1.2, 40.24.3.2.4. Section 40.23.4.3 currently provides that the Interconnection Customer shall be responsible for the NYISO’s and the Connecting Transmission Owner’s actual costs for the supplemental review conducted by the NYISO.

¹⁵⁹ *Id.* §§ 40.6.3.2, 40.24.3.2.4, 40.24.3.2.5. Section 40.6.3.2 currently provides that any additional studies resulting from such modification shall be done at Interconnection Customer’s cost.

Tariff Subsection	Description of Proposed Modification	Rationale for Proposed Modification
40.2.2 40.7 40.7.5 40.7.5.1 40.7.5.2 40.7.6.2 40.9.1 40.9.3.1.1 40.9.3.1.1.1 40.9.3.1.1.2 40.9.3.1.3.1 40.9.3.2.2.1 40.9.3.2.3.1 40.9.3.2.5 40.9.3.2.7 40.10 40.10.1.1 40.10.8 40.10.8.1 40.10.8.2 40.10.8.3 40.10.8.4.1 40.10.9.2 40.11.1.1	Make conforming revisions to reflect revised definition of Phase 1 Entry Decision Period and Phase 2 Entry Decision Period.	Conform use of defined terms.
40.5.3.2 40.5.6.4 40.5.6.5 40.5.6.6	Revise “provided, however” to consistently use the same construct: “provided, however, that.”	Streamline language for readability.
40.5.7.2.3 40.5.7.3.4	Revise explanatory parenthetical regarding the withdrawal cure period.	Revise for readability and clarity.
40.6.3.6	Delete “to Interconnection Customer”	Clarify that the apparent infeasibility of a proposed Initial Backfeed Date need not be identified only by the Interconnection Customer.
40.6.3.7	Remove capitalization of undefined term	Correct typographical error.
40.10.2.1.3	Change “CBA” to “CPA.”	Correct typographical error.
40.12.2.5 40.15.2.10	Change “Class Year” to “Cluster Study”	Clean-up edit to remove provisions which are no longer relevant to projects in the NYISO’s interconnection queue.

Tariff Subsection	Description of Proposed Modification	Rationale for Proposed Modification
40.5.4.1.3.3 40.19.5	Delete reference to Class Year Study and Class Year Project	Clean-up edit to remove provisions which are no longer relevant to projects in the NYISO's interconnection queue.
40.9.8.2 40.10.5 40.12.2.2 40.12.2.5 40.19.1 40.25.1	Correct spacing and formatting.	Correct formatting errors.
40.16.1.1	Make "Projects" singular and make grammatical edit.	Correct grammatical error.
40.19.1	Delete outdated reference to start date for initial Expedited Deliverability Study.	Removal of the implementing language related to tariff revisions through which the Expedited Deliverability Study was established.
40.19.1	Add "Phase 2" in reference to the Cluster Study decision and settlement period	Clarify which decision period is referenced.
40.19.1	Add defined terms to language specifying how the Expedited Deliverability Study Start Date is determined.	Conform use of defined terms and clarify language to reduce confusion.
40.19.2	Combine two sentences.	Edit for readability.
40.19.2	Clarify that the duration of the Expedited Deliverability Study is measured from receipt of the listed items for all members of the study.	Clarify to avoid confusion.
40.19.3.2	Add cross reference to Section 40.2.4.	Provide guidance to applicable requirements in related tariff sections.
40.19.3.3	Change "executed" to "completed."	Clean up edit to reflect that the Expedited Deliverability Study Agreement need not be executed when the Interconnection Customer first returns it to the NYISO.
40.19.5	Revise language to use defined term for Final Decision Period	Conform use of defined terms.

Tariff Subsection	Description of Proposed Modification	Rationale for Proposed Modification
40.25.1	Delete references to the Class Year Study and Small Generator Facilities Study	Clean-up edit to remove provisions which are no longer relevant to projects in the NYISO's interconnection queue.

V. Documents Submitted

The NYISO submits the following documents with this filing letter:

1. A blacklined version of the proposed revisions to Attachment HH of the NYISO OATT (Attachment I); and
2. A clean version of the proposed revisions to Attachment HH of the NYISO OATT (Attachment II).

VI. Service

The NYISO will send an electronic link to this filing to the official representative of each of its customers, to each participant on its stakeholder committees, to the New York Public Service Commission, and to the New Jersey Board of Public Utilities. In addition, a complete copy of the documents included with this filing will be posted on the NYISO's website at www.nyiso.com.

VII. Communications

All communications and service with regard to this filing should be directed to:

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VIII. Conclusion

Wherefore, the NYISO respectfully requests that the Commission accept the proposed tariff revisions in this filing in their entirety without any modifications and make them effective on July 29, 2026. However, to allow the NYISO to apply as many of its proposed enhancements as possible to the upcoming Cluster Study Process, the NYISO consents to the maximum extent legally permissible to severing any of the numbered proposals itemized in the table in Section II of this filing letter to the extent that the Commission conditionally accepts the filing but rejects one or more of the independent and severable proposals.

Respectfully submitted,

/s/ Sara B. Keegan

Sara B. Keegan

Raquel M. Parks

/s/ Michael J. Messonnier, Jr.

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