31.6 Long-Term Transmission Planning Process~~Other Provisions~~

The Long-Term Transmission Planning Process is the process established in this Section 31.6 of Attachment Y of the ISO OATT.

31.6.1 Scope of Long-Term Transmission Planning Process

31.6.1.1 The Long-Term Transmission Planning Process shall consist of: (a) the System & Resource Outlook ("Outlook") and (b) the Long-Term Transmission Selection Process. The ISO will perform the Outlook for each Long-Term Transmission Planning Process cycle: (A) to summarize the current assessments, evaluations, and plans in the Comprehensive System Planning Process and the information and sources relied upon by the ISO; and (B) to assess the New York State Transmission System over a 20-year Study Period using at least three Long-Term Scenarios and an Extreme Weather Sensitivity to identify: (i) potential future resource mix(es), (ii) potential transmission needs that drive the need for expansion or upgrades to the BPTFs, which are included in a Catalog of Transmission Expansion Opportunities, and (iii) economic transmission expansion opportunities for purposes of the Economic Planning Process. If the NYPSC identifies one or more Long-Term Transmission Needs from the Catalog of Transmission Expansion Opportunities included in the Outlook, the ISO will perform the Long-Term Transmission Selection Process for that Long-Term Transmission Planning Process cycle to solicit and evaluate proposed Long-Term Transmission Projects and Other Long-Term Projects for purposes of selecting, or electing not to select, the more efficient or cost-effective transmission solution to address the identified Long-Term Transmission Need for purposes of cost allocation and cost recovery under the ISO OATT. The ISO will coordinate its performance of the Long-Term Transmission Planning Process with the NYDPS concerning New York State planning processes to the extent reasonably practicable.

31.6.1.2 The ISO will commence the Long-Term Transmission Planning Process cycle on the start date for the Outlook for the planning cycle in accordance with the scheduling requirements set forth in Section 31.6.2.1. If the ISO is required to perform a Long-Term Transmission Selection Process for a Long-Term Transmission Planning Process cycle, the ISO will perform the process in parallel with its performance of the Outlook for the subsequent planning cycle as set forth in Section 31.6.2.1.1.2. The ISO will perform the Long-Term Transmission Planning Process in coordination with and with input from the NYPSC/NYDPS, Transmission Owners, Market Participants, stakeholders, and other interested parties as detailed in this Section 31.6.

31.6.1.3 The primary components of the Long-Term Transmission Planning Process include the following steps.

(1) The ISO will solicit and collect factors and data inputs for the development of the assumptions required for the Long-Term Scenarios, the Extreme Weather Sensitivity, and any additional scenarios and sensitivities that will be used in the upcoming Long-Term Transmission Planning Process cycle as set forth in Section 31.6.4.2.

(2) The ISO will commence the Outlook component of the Long-Term Transmission Planning Process cycle with the Outlook Kickoff Meeting as set forth in Section 31.6.5.1.

(3) The ISO will develop at least three Long-Term Scenarios, including any Long-Term State Scenario, and an Extreme Weather Sensitivity for each Long-Term Scenario as set forth in Section 31.6.5.2 for its performance of its analysis for the Outlook.

(4) The ISO will assess the New York State Transmission System over a 20-year Study Period using Long-Term Scenarios, an Extreme Weather Sensitivity, and any additional scenarios and sensitivity(ies) to identify potential transmission needs that drive the need for

expansion or upgrades to the BPTFs for inclusion in the Catalog of Transmission Expansion Opportunities included in the Outlook as set forth in Section 31.6.6.

(5) The ISO will develop the Outlook for stakeholder review and action, for Market Monitoring Unit review, and for approval by the ISO Board of Directors as set forth in Section 31.6.7.

(6) Following the ISO Board of Directors' approval of the Outlook, the ISO will file the Outlook, including the Catalog of Transmission Expansion Opportunities, with the NYPSC. The NYPSC will review the Catalog of Transmission Expansion Opportunities identified in the Outlook to determine, with input from the ISO and stakeholders, whether to identify Long-Term Transmission Need(s) for the Long-Term Transmission Planning Process cycle for which the ISO must solicit and evaluate proposed solutions as set forth in Section 31.6.8.

(7) If the NYPSC identifies one or more Long-Term Transmission Need(s), the ISO will commence the Long-Term Transmission Selection Process component of the Long-Term Transmission Planning Process and will solicit proposals from Developers for Long-Term Transmission Projects and Other Long-Term Projects to address an identified Long-Term Transmission Need as set forth in Section 31.6.9.

(8) The ISO will apply the selection metrics, including the measurement and evaluation of the benefits, and other criteria identified by the NYPSC with the Long-Term Transmission Need to the proposed Long-Term Transmission Projects as set forth in Section 31.6.10 and will assess the viability and sufficiency of proposed Other Long-Term Projects as set forth in Section 31.6.10.6.

(9) The ISO will develop the Long-Term Transmission Planning Report for stakeholder review and action, for Market Monitoring Unit review, and for approval by the ISO Board of Directors as set forth in Section 31.6.11.

(10) The ISO Board of Directors will elect to select, or not to select, a Long-Term Transmission Project as the more efficient or cost-effective transmission solution to address a Long-Term Transmission Need for purposes of cost allocation and cost recovery under the ISO OATT, and the ISO will designate a selected Long-Term Transmission Project to the Designated Entity(ies) that shall be responsible for developing the Designated Long-Term Transmission Project(s) as set forth in Section 31.6.11.

(11) The ISO will tender and enter into Development Agreement(s) with the Designated Entity(ies) for the Designated Long-Term Transmission Project(s) as set forth in Section 31.6.12.2.

(12) The costs of the Designated Long-Term Transmission Projects that constitute the selected Long-Term Transmission Project will be allocated as set forth in Section 31.5 of Attachment Y to the ISO OATT, and Designated Entities will recover their costs as set forth in Section 6.10 of the ISO OATT.

31.6.2 General Long-Term Transmission Planning Process Requirements

31.6.2.1 Start Date, End Date, and Scheduled Duration of the Long-Term Transmission Planning Process Cycle

31.6.2.1.1 The ISO shall establish the start date for the Long-Term Transmission Planning Process cycle in accordance with the requirements in Sections 31.6.2.1.1.1 and 31.6.2.1.1.2. The start date of the Long-Term Transmission Planning Process cycle shall also be the start date for the Outlook for that planning cycle. The ISO shall host the Outlook Kickoff Meeting on the start date in accordance with Section 31.6.5.1.

31.6.2.1.1.1 The start date for the first Long-Term Transmission Planning Process cycle shall be no later than June 1, 2027. The ISO will notify stakeholders at least thirty (30) calendar days prior to this start date.

31.6.2.1.1.2 The ISO will determine, and will notify stakeholders of, the scheduled start date for a subsequent Long-Term Transmission Planning Process cycle following the ISO Board of Directors' approval of the Outlook for the prior planning cycle. The scheduled start date shall be no later than five (5) years following the start date for the prior planning cycle. In setting the scheduled start date for a subsequent Long-Term Transmission Planning Process cycle, the ISO shall consider, and shall address in its notice to stakeholders establishing the start date, the alignment of the next Long-Term Transmission Planning Process cycle with the timeframes of the ISO's other transmission planning processes in its Comprehensive System Planning Process and with the timeframes of state planning processes. The ISO will commence and perform the Outlook component for a Long-Term Transmission Planning Process cycle in parallel with the ISO's performance of the Long-Term Transmission Selection Process, if required, for the prior Long-Term Transmission Planning Process cycle.

31.6.2.1.2 The end date of the Long-Term Transmission Planning Process cycle shall be the date on which one of the following actions occurs for the planning cycle: (i) the NYPSC determines not to identify a Long-Term Transmission Need for the Long-Term Transmission Planning Process cycle pursuant to Section 31.6.8.1, which shall include the NYPSC not issuing an order that identifies the Long-Term Transmission Need(s) for the Long-Term Transmission

Planning Process cycle within the time period provided for such order; (ii) the NYPSC determines – after identifying one or more Long-Term Transmission Need(s) for the Long-Term Transmission Planning Process cycle and prior to the ISO's selection of the more efficient or cost-effective transmission solution(s) – to withdraw all of the Long-Term Transmission Need(s) it identified for that planning cycle pursuant to Section 31.6.8.2.1; or (iii) the ISO Board approves the Long-Term Transmission Planning Report pursuant to Section 31.6.11.4 indicating its determination to select or not to select a Long-Term Transmission Project to address a Long-Term Transmission Need identified in that planning cycle.

31.6.2.1.3 As part of its notice establishing the start date for the Long-Term Transmission Planning Process cycle, the ISO shall include a schedule for the Outlook component of the planning cycle and for the filing of the Outlook, including the Catalog of Transmission Expansion Opportunities, with the NYPSC. The scheduled duration of the Outlook component shall be a time period of up to one-year and six months from the start date established pursuant to Section 31.6.2.1.1 to the scheduled date that the ISO Board would approve the Outlook in that planning cycle pursuant to Section 31.6.7.1.2.

31.6.2.1.4 The ISO will notify stakeholders if there are any extensions to the deadlines for the performance of the Outlook in this Section 31.6 pursuant to Sections 31.1.8.6 or 31.1.8.7 or any delays in meeting the deadlines in the schedule for the Outlook for the planning cycle that the ISO provides pursuant to Section 31.6.2.1.3, which extension or delay requires extending the scheduled duration of the Outlook for the planning cycle. In such case, the ISO will provide stakeholders with an updated schedule that accounts for the estimated time for addressing the extension or delay and includes an explanation concerning the extension or delay.

31.6.3 Interested Parties' Participation in the Long-Term Transmission Planning Process

The ISO shall perform the Long-Term Transmission Planning Process, including developing the Outlook, in consultation with Market Participants, stakeholders, NYPSC/NYDPS, and all other interested parties. The TPAS will have responsibilities consistent with ISO Procedures for review of the ISO's technical analyses. The ESPWG will have responsibilities consistent with ISO Procedures for providing commercial input and assumptions to be used in the development of the Foundation Case, Long-Term Scenarios, the Extreme Weather Sensitivity, and any additional scenarios and sensitivities. ISO staff will establish and maintain coordination and communication between itself and the ESPWG and the TPAS to allow all interested parties to participate in a meaningful way during the Long-Term Transmission Planning Process through the ISO's open and transparent stakeholder forums.

31.6.4 Long-Term Transmission Planning Process Requirements Prior to Start Date

31.6.4.1 Development of Foundation Case

31.6.4.1.1 Prior to the start date of each Long-Term Transmission Planning Process cycle, the ISO will commence the development of the Foundation Case for use in that planning cycle. The Foundation Case shall represent a "business as usual" scenario throughout the Study Period, which shall assume a reliable system in accordance with Section 31.6.4.1.2 and will incorporate load, generation, and transmission assumptions in accordance with ISO Procedures. The ISO is not required to account in the Foundation Case for factors derived from the categories of factors set forth in Section 31.6.4.3, and the Foundation Case will be used for informational purposes for the Long-Term Transmission Planning Process.

31.6.4.1.2 The Foundation Case will assume a reliable system throughout the Study Period used for the most recent Reliability Planning Process and Short-Term Reliability Process. If any

Reliability Needs in the Study Period used for the Reliability Planning Process or Short-Term Reliability Process remain unresolved at the time the Outlook is conducted, the Foundation Case will incorporate sufficient compensatory MW to resolve those needs for the Reliability Planning Process and Short-Term Reliability Process Study Period, starting with the most recently-approved base cases from the Reliability Planning Process and the Short-Term Reliability Process, as updated in accordance with ISO Procedures. The ISO is not required to project reliability needs or compensatory MW for the remainder of the Study Period for the Long-Term Transmission Planning Process, but may adjust load and resources for the remainder of the Study Period used for the Foundation Case as determined pursuant to ISO Procedures and in consultation with stakeholders.

31.6.4.2 Solicitation and Identification of Factors and Data Inputs for Development of Long-Term Scenarios, Extreme Weather Sensitivity, and Any Additional Scenarios and Sensitivities

31.6.4.2.1 The ISO shall establish a period of no fewer than ninety (90) calendar days prior to the start date of each Long-Term Transmission Planning Process cycle for any stakeholder or interested party to: (i) propose factors based on the categories of factors set forth in Section 31.6.4.3; (ii) propose data inputs required by the ISO pursuant to ISO Procedures; (iii) provide feedback on additional data inputs and assumptions required for the development of Long-Term Scenarios, the Extreme Weather Sensitivity, and any additional scenarios and sensitivities; (iv) identify sources of best available data; (v) propose which future outcomes are probable and can be captured through assumptions made in the development of Long-Term Scenarios; and (vi) propose how a factor may affect Long-Term Transmission Needs and explain how that factor could be reflected in the development of Long-Term Scenarios, including the extent to which it is appropriate to discount the effects of certain factors on Long-Term Transmission Needs.

31.6.4.2.2 Within the same time period established in Section 31.6.4.2.1: (i) the ISO may independently identify factors based on the categories of factors set forth in Section 31.6.4.3 and additional data inputs; (ii) the ISO is responsible for identifying factors in Factor Category Four, Factor Category Five, and Factor Category Six, regardless of whether stakeholders or interested parties provide input on these categories of factors; and (iii) the NYDPS will provide the ISO with assumptions for the ISO's development of a Long-Term State Scenario.

31.6.4.2.3 Any information provided by stakeholders and interested parties that is classified as Confidential Information or Critical Energy Infrastructure Information shall be subject to the ISO's requirements concerning the treatment and disclosure of such information as described in Section 31.1.8.1 of this Attachment Y.

31.6.4.3 Categories of Factors

31.6.4.3.1 The ISO will use factors identified from the following categories of factors, as further described in ISO Procedures, in the development of Long-Term Scenarios as described in Section 31.6.5.2:

31.6.4.3.1.1 Federal, Federally-Recognized Tribal, state, and local laws and regulations affecting the resource mix and demand ("Factor Category One");

31.6.4.3.1.2 Federal, Federally-Recognized Tribal, state, and local laws and regulations on decarbonization and electrification ("Factor Category Two");

31.6.4.3.1.3 State approved supply obligations for load serving entities as well as any NYPSC or state approved plans for generation procurements developed and reviewed pursuant to applicable state law ("Factor Category Three");

31.6.4.3.1.4 Trends in fuel costs and in the cost, performance, and availability of generation, electric storage resources, and building and transportation electrification technologies ("Factor Category Four");

31.6.4.3.1.5 Resource retirements ("Factor Category Five");

31.6.4.3.1.6 Interconnection requests and withdrawals ("Factor Category Six"); and

31.6.4.3.1.7 Utility commitments and federal, Federally-Recognized Tribal, state, and local policy goals that affect Long-Term Transmission Needs ("Factor Category Seven").

31.6.4.3.1.8 The ISO may, at its discretion and in consultation with the ESPWG and the NYDPS, identify one or more additional categories of factors for a given planning cycle of the Long-Term Transmission Planning Process (each an "Additional Factor Category" and collectively "Additional Factor Categories").

31.6.4.3.2 For purposes of Section 31.6.4.3, Federally-Recognized Tribal laws and regulations shall mean legally binding obligations, incentives, and/or restrictions promulgated by Federally-Recognized Tribes that will affect new or existing generators, or demand.

31.6.4.3.3 For purposes of Section 31.6.4.3, a state law and regulation shall include an NYPSC order adopting a rule or regulation subject to and in accordance with the State Administrative Procedure Act.

31.6.5 Commencement of Outlook Process

31.6.5.1 Outlook Kickoff Meeting

The ISO shall host an Outlook Kickoff Meeting at an ESPWG meeting, which meeting shall commence the Long-Term Transmission Planning Process cycle as set forth in Section 31.6.2.1.1. The purpose of the Outlook Kickoff Meeting shall be for the ISO to review with its stakeholders and other interested parties its initial determination of assumptions for use in the development of the Long-Term Scenarios based on the factors, data inputs, and assumptions received by the ISO pursuant to Section 31.6.4.2.1, independently identified by the ISO pursuant to Section 31.6.4.2.2, and provided by the NYDPS pursuant to Section 31.6.4.2.2.

31.6.5.2 Development of Long-Term Scenarios and Sensitivities

In accordance with the requirements in this Section 31.6.5.2, the ISO shall develop, in consultation with the ESPWG and the NYDPS, at least three, plausible and diverse Long-Term Scenarios for the Outlook and an Extreme Weather Sensitivity that will be applied to each Long-Term Scenario. The ISO may also develop additional scenarios and sensitivities in accordance with the requirements in this Section 31.6.5.2.

31.6.5.2.1 General Requirements

31.6.5.2.1.1 The ISO shall use its professional and engineering judgement and the best available data inputs in developing the assumptions, the Long-Term Scenarios, and the Extreme Weather Sensitivity, as further detailed in ISO Procedures; *provided, however*, that the ISO will use assumptions provided by the NYDPS for a Long-Term State Scenario pursuant to Section 31.6.5.2.2.2. For purposes of the Outlook, "best available data inputs" are data inputs adopted in the Outlook process that are timely, developed using best practices and diverse and expert perspectives, and reflect, as applicable, the list of factors accounted for in the Long-Term Scenarios.

31.6.5.2.1.2 The ISO shall use the Foundation Case as the starting point for the development of Long-Term Scenarios.

31.6.5.2.1.3 The ISO shall develop the assumptions for the Long-Term Scenarios, the Extreme Weather Sensitivity, and any additional scenarios or sensitivities in accordance with Section 31.6.5.2.2. The ISO may, at its discretion and in consultation with the ESPWG and the NYDPS, update these assumptions during the Outlook process to account for significant and material changes to the factors or data inputs underlying those assumptions.

31.6.5.2.1.4 The Study Period for each Long-Term Scenario shall be a 20-year period, which time period shall be based on the start date of the Long-Term Transmission Planning Process cycle as established pursuant to Section 31.6.2.1.1.

31.6.5.2.1.5 The ISO shall develop a minimum of three Long-Term Scenarios for each Long-Term Transmission Planning Process cycle. The ISO shall develop a Long-Term State Scenario as one of the three required Long-Term Scenarios if the NYDPS provides the ISO with assumptions for this scenario pursuant to Section 31.6.4.2.2. The ISO may determine, at its discretion and in consultation with the ESPWG and the NYDPS, to develop, subject to resource availability: (i) additional Long-Term Scenario(s) for the planning cycle, which additional Long-Term Scenario(s) must comply with the same requirements as the three required Long-Term Scenarios, and (ii) additional scenarios for the planning cycle that may be used for information purposes.

31.6.5.2.1.6 The ISO will take appropriate steps (*e.g.,* electronically masking, aggregation) to prevent the disclosure of Confidential Information or Critical Energy Infrastructure Information contained in information produced by the ISO in connection with the development of the assumptions, Long-Term Scenarios, Extreme Weather Sensitivity, or additional scenarios and sensitivities.

31.6.5.2.2 Development of Assumptions for Long-Term Scenarios, the Extreme Weather Sensitivity, and Additional Scenarios and Sensitivities

31.6.5.2.2.1 The ISO shall determine, in consultation with the ESPWG and the NYDPS, the assumptions that it will use in the development of the Long-Term Scenarios, the Extreme Weather Sensitivity, and any additional scenarios and sensitivities.

31.6.5.2.2.2 For purposes of developing the Long-Term State Scenario pursuant to Section 31.6.5.2.1.5, the ISO shall incorporate assumptions submitted by the NYDPS if submitted pursuant to Section 31.6.4.2.2.

31.6.5.2.2.3 In developing the assumptions, the ISO shall review the information that it received pursuant to Section 31.6.4.2.1 and that it identified pursuant to Section 31.6.4.2.2 and shall determine, using the best available data inputs and in consultation with the ESPWG and the NYDPS: (i) how a factor (or a group of similar factors) identified from the categories of factors in Section 31.6.4.3 is likely to affect Long-Term Transmission Needs, and (ii) how to account for the factors that it determined are likely to affect Long-Term Transmission Needs in the development of the Long-Term Scenarios. The ISO shall consult with the NYDPS as to how to account for factors related to state laws, policies, and regulations when determining the assumptions. This includes consulting with the NYDPS regarding whether a specific state law, policy, or regulation that will likely affect Long-Term Transmission Needs must be accounted for as a factor, how to account for the specific state law, policy, or regulation in the development of Long-Term Scenarios, and how to adjust the treatment of the specific state law, policy, or regulation across Long-Term Scenarios.

31.6.5.2.2.4 For those factors that the ISO has determined are likely to affect Long-Term Transmission Needs, the ISO, as further described in ISO Procedures: (i) must account for, be consistent with, and not discount factors identified from the first three categories of factors set forth in Sections 31.6.4.3.1.1 through 31.6.4.3.1.3, and (ii) may discount or assign greater weight to the effects on Long-Term Transmission Needs of factors identified from the final four categories of factors and any Additional Factor Categories in Sections 31.6.4.3.1.4 through 31.6.4.3.1.8. The ISO shall make reasonable efforts to avoid double counting the effect of identified factors. If an identified factor could be incorporated either into one of the first three categories of factors or one of the remaining categories of factors, the ISO shall incorporate the factor within the first three categories of factors.

31.6.5.2.2.5 If an interested party disputes the ISO's determination concerning the assumptions for a Long-Term Scenario, the ISO and disputing party(ies) should attempt to resolve such dispute(s) through the ISO governance procedures in discussing the Long-Term Scenarios and as provided in Section 31.1.8.4 of this Attachment Y.

31.6.5.2.3 Development of Sensitivities

31.6.5.2.3.1 The ISO shall develop an Extreme Weather Sensitivity that it will apply to each Long-Term Scenario. The Extreme Weather Sensitivity will account for uncertain operational outcomes that determine the benefits of and/or need for transmission facilities during multiple concurrent and sustained generation and/or transmission outages due to an extreme weather event across a wide area.

31.6.5.2.3.2 The ISO may determine, at its discretion and in consultation with the ESPWG and the NYDPS, to develop additional sensitivities to apply in the planning cycle subject to the ISO's resource availability.

31.6.5.2.4 Information Concerning Long-Term Scenarios

31.6.5.2.4.1 Prior to the completion of the development of the Long-Term Scenarios, the ISO shall publish on the public portion of its OASIS or public website: (i) the list of the factors in each of the seven required categories of factors that it will account for in the Long-Term Scenarios; (ii) a description of each factor that it will account for in the Long-Term Scenarios; (iii) a general statement explaining how it will account for each of those factors in the Long-Term Scenarios; (iv) a description of the extent to which it will discount any factors in Factor Categories Four through Seven in each Long-Term Scenario; and (v) a list of the factors that it considered but did not incorporate in the Long-Term Scenarios.

31.6.5.2.4.2 Prior to the completion of the development of the Long-Term Scenarios, the ISO shall publish on the public portion of its OASIS or public website: (i) the list of each Additional Factor Category, and the factors in each of the Additional Factor Categories that it will account for in the Long-Term Scenarios; (ii) a description of each Additional Factor Category and a description of each factor that it will account for in the Long-Term Scenarios; (iii) a general statement explaining how it will account for each Additional Factor Category and each of the additional factors in the Long-Term Scenarios; (iv) a description of the extent to which it will discount any factors in each Additional Factor Category; and (v) a list of the factors that it considered but did not incorporate in each Additional Factor Category in the Long-Term Scenarios.

31.6.5.2.4.3 The ISO shall make available to any interested party reasonable information and data inputs that the ISO used in the creation of each Long-Term Scenario. The ISO will take appropriate steps (e.g., electronically masking, aggregation) to prevent the disclosure of Confidential Information or Critical Energy Infrastructure Information contained in the information and data inputs provided by the ISO.

31.6.6 Performance of Studies for the Outlook and Identification of the Catalog of Transmission Expansion Opportunities

31.6.6.1 Performance of Studies for the Outlook

The ISO shall develop and use, as appropriate, production cost, capacity expansion, power flow, and other models for the purpose of performing its analyses in the Outlook for the Study Period of the Foundation Case, Long-Term Scenarios, Extreme Weather Sensitivity, and any additional scenarios and sensitivities used for the planning cycle and shall develop and use, as appropriate, metrics for assessing the New York State Transmission System. The ISO shall: (i) consult with the ESPWG and NYDPS concerning the identification of the appropriate model(s) and metric(s) to be developed and used in the Outlook for the particular planning cycle for the Long-Term Transmission Planning Process; (ii) develop and use the model(s) and metric(s) consistent with the requirements for such model(s) and metric(s) set forth in this Section 31.6.6.1, in Section 31.6.6.2, and in ISO Procedures; (iii) support the identification of Long-Term Transmission Needs through the Catalog of Transmission Expansion Opportunities as described in Section 31.6.6.3; and (iv) consider for purposes of the Outlook the impacts of needs or project proposals identified in the ISO's planning processes.

As part of its assessment of the New York State Transmission System, the ISO shall: (1) project congestion on the New York State Transmission System and system conditions over the Study Period; (2) identify, rank, and group the congested elements on the New York State Transmission System based on the metrics identified for the Outlook for that Long-Term Transmission Planning Process cycle; and (3) assess the potential benefits of addressing the identified congestion. For purposes of the identification of economic transmission expansion opportunities for the Economic Planning Process, the ISO will perform these assessments using the production cost savings metric.

31.6.6.2 Metrics & Analyses

For purposes of the Outlook, the ISO shall assess the New York State Transmission System and system conditions over the Study Period using appropriate model(s) and measuring the metrics identified pursuant to Section 31.6.6.1, as further described in this Section 31.6.6.2 and ISO Procedures. These metrics will include: production cost, transmission congestion, Location Based Marginal Price (LBMP), emissions, and energy deliverability. The ISO may also use other metrics, including, but not limited to: load payments, generator payments, ancillary service costs, capacity costs, energy losses, energy curtailment, and unserved energy.

31.6.6.3 Outlook Study Results and Identification of Catalog of Transmission Expansion Opportunities

The ISO shall include in the Outlook the results of the models and metrics developed and applied in accordance with Sections 31.6.6.1 and 31.6.6.2 concerning the economic and operational performance of the New York State Transmission System, along with a summary of historic actual transmission congestion metrics. The ISO shall assess these study results and, using its engineering judgment, shall identify potential transmission needs, which are areas of significant and persistent limitations on the New York State Transmission System that drive the need for expansion or upgrades to the BPTFs, as further defined in ISO Procedures. In making this determination, the ISO will consult with the NYDPS, the Transmission Owners, and the ESPWG. The ISO shall include the potential transmission need(s) in the Catalog of Transmission Expansion Opportunities, which will be included in the Outlook.

31.6.6.4 Provision of In-Kind Replacement Lists

Prior to the ISO Board's approval of the Outlook, each Transmission Owner shall provide the ISO with its In-Kind Replacement List, which shall include details established in ISO Procedures concerning the In-Kind Replacement Transmission Facilities that the Transmission Owner has identified for its system. An "In-Kind Replacement Transmission Facility" shall mean a new transmission facility that:

(1) would replace a transmission facility operating at or above 200 kV, or a transmission facility operating at a lower kV level at a Transmission Owner's discretion, that the Transmission Owner that owns the transmission facility anticipates replacing in-kind with a new transmission facility during the 10-year period following the start date of the Long-Term Transmission Planning Process, or a longer period at a Transmission Owner's discretion;

(2) would result in no more than an incidental increase in capacity over the existing transmission facility identified as needing to be replaced, as "incidental increase" is defined in Section 31.6.6.4.1; and

(3) is located in the same general route as, and/or uses the existing rights-of-way of, the existing transmission facility identified as needing to be replaced.

The ISO shall post on its website the In-Kind Replacement List submitted by a Transmission Owner, subject to any Critical Energy Infrastructure Information restrictions or requirements. At any time prior to the ISO's solicitation of proposed Long-Term Transmission Projects pursuant to Section 31.6.9.3.2, a Transmission Owner: (i) may provide the ISO for posting on the ISO's website with an update to its In-Kind Replacement List solely for purposes of updating the information concerning the In-Kind Replacement Transmission Facilities that were included in the list provided by the Transmission Owner for that planning cycle, and (ii) may present at an ISO stakeholder meeting for informational purposes one or more right-sizing opportunities for In-Kind Replacement Transmission Facilities identified by that Transmission Owner for its system.

31.6.6.4.1 For purposes of Section 31.6.6.4, an "incidental increase" shall mean an increase in transmission capacity achieved by advancements in technology and/or replacements consistent with current Transmission Owner design standards, industry standards, codes, laws or regulations, which is not reasonably severable from a Transmission Owner's asset management projects and activities. For purposes of this definition, "asset management projects and activities" are maintenance, compliance, work on infrastructure at or approaching the end-of-useful life, or infrastructure security projects that the Transmission Owner undertakes to maintain its existing electric transmission system and meet regulatory compliance requirements.

31.6.6.4.2 The use of the term "new transmission facility" in the definitions of In-Kind Replacement Transmission Facilities and Right-Sized Replacement Transmission Facilities in Section 31.1.1 of this Attachment Y and this Section 31.6.6.4 will not be the basis for the ISO's determination of whether a transmission facility is an "entirely new transmission facility" or an "upgrade" pursuant to Section 31.1.10.4.

31.6.7 Preparation of Outlook

Following the ISO's completion of the analyses described in Sections 31.6.6.1 through 31.6.6.3, ISO staff will prepare a draft report of the Outlook. The draft report will include (A) a summary of the current assessments, evaluations, and plans in the Comprehensive System Planning Process and the information and sources relied upon by the ISO; (B) a summary of the assumptions, inputs, and methodology of the Outlook for that planning cycle; and (C) the results of the ISO's analyses in the Outlook including (i) the identification of potential future resource mix(es), (ii) the Catalog of Transmission Expansion Opportunities, and (iii) the identification of economic transmission expansion opportunities for purposes of the Economic Planning Process.

31.6.7.1 System & Resource Outlook Review Process

31.6.7.1.1 Collaborative Governance Process. The draft System & Resource Outlook shall be submitted to both the TPAS and the ESPWG for review and comment. The ISO shall make available to any interested party reasonable information and data inputs that it used to develop the draft System & Resource Outlook. The ISO will take appropriate steps (e.g., electronically masking, aggregation) to prevent the disclosure of Confidential Information or Critical Energy Infrastructure Information contained in the information that the ISO makes available. Following completion of that review, the draft System & Resource Outlook reflecting the revisions resulting from the TPAS and the ESPWG review shall be forwarded to the Business Issues Committee and the Management Committee for discussion and action.

31.6.7.1.2 Board Action. Following the Management Committee vote, the draft System & Resource Outlook, with Business Issues Committee and Management Committee input, will be forwarded to the ISO Board for review and action. Concurrently, the draft System & Resource Outlook will be provided to the Market Monitoring Unit for its review and consideration. The Board may approve the System & Resource Outlook as submitted, or it may propose modifications on its own motion. If material changes are proposed by the Board, the revised System & Resource Outlook shall be returned to the Management Committee for comment. The Board shall not make a final determination on a revised System & Resource Outlook until it has reviewed the Management Committee comments. The responsibilities of the Market Monitoring Unit that are addressed in this section of Attachment Y to the ISO OATT are also addressed in Section 30.4.6.8.4 of the Market Monitoring Plan, Attachment O to the ISO Services Tariff.

Upon approval by the Board, the ISO shall: (i) issue the System & Resource Outlook to the marketplace by posting it on its website and (ii) submit the Outlook, including the Catalog of Transmission Expansion Opportunities, to the NYPSC.

31.6.8 Identification of Long-Term Transmission Needs

31.6.8.1 NYPSC Identification of Long-Term Transmission Needs

The NYPSC will review the Catalog of Transmission Expansion Opportunities identified in the Outlook and, with input from the ISO and interested parties, identify from the Catalog of Transmission Expansion Opportunities the Long-Term Transmission Needs, if any, for which specific transmission solutions should be requested and evaluated by the ISO in the Long-Term Transmission Planning Process. The NYPSC will maintain procedures to govern the process by which it will review the Catalog of Transmission Expansion Opportunities, which procedures shall: ensure that such process is open and transparent, provide the ISO and interested parties a meaningful opportunity to participate in such process, provide input regarding the NYPSC's considerations, and result in the development of a written determination as required by law, inclusive of the input provided by the ISO and interested parties.

The ISO shall assist the NYPSC in its review of the Catalog of Transmission Expansion Opportunities and how it relates to the results of other state planning processes as requested.

The NYPSC shall issue an order that identifies the Long-Term Transmission Need(s) or elects not to identify any Long-Term Transmission Needs and that explains why it has identified the Long-Term Transmission Need(s) for which transmission solutions will be requested by the ISO. The NYPSC's order may also provide: (i) additional criteria for the evaluation of transmission solutions and non-transmission projects, (ii) the required timeframe, if any, for completion of the proposed solution, and (iii) the type of analyses that it will request from the ISO.

If the NYPSC does not issue an order consistent with this Section 31.6.8.1 that identifies the Long-Term Transmission Need(s) for the Long-Term Transmission Planning Process cycle within 180 calendar days of the ISO's submission of the Outlook to the NYPSC, then the ISO shall not commence the process in Section 31.6.9 to request solutions to Long-Term Transmission Need(s) and shall conclude the Long-Term Transmission Planning Process cycle. This 180 calendar day period: (i) will be extended by 30 calendar days at the request of NYDPS, and (ii) may be extended for a longer period of time at the ISO's discretion pursuant to Section 31.1.8.7 in response to a request from NYDPS that specifies the additional requested time period and describes the need for the extension, which request will be posted on the ISO website.

31.6.8.2 NYPSC's Withdrawal or Modification of a Long-Term Transmission Need

31.6.8.2.1 If, at any time prior to the ISO Board's approval of the Long-Term Transmission Planning Report, the NYPSC issues an order, in accordance with the State Administrative Procedure Act, that determines to withdraw one or more of the Long-Term Transmission Need(s) determinations that the NYPSC made for that planning cycle pursuant to Section 31.6.8.1, then the ISO will not perform or complete, as applicable, an evaluation, or make a selection of, a more efficient or cost-effective transmission solution under Sections 31.6.10 and 31.6.11to address the Long-Term Transmission Need(s) withdrawn by the NYPSC. If, following this withdrawal, there are no remaining Long-Term Transmission Needs for the planning cycle, the ISO shall conclude the Long-Term Transmission Planning Process cycle.

31.6.8.2.2 If, at any time prior to the ISO Board's approval of the Long-Term Transmission Planning Report, the NYPSC issues an order, in accordance with the State Administrative Procedure Act, modifying a Long-Term Transmission Need that it identified in accordance with Section 31.6.8.1, the ISO will take one of the following actions to account for the NYPSC's modification to the Long-Term Transmission Need: (i) direct Developers to account for the modification in their proposed solutions if the solicitation window is still open pursuant to Section 31.6.9.3.2, (ii) establish a period of time of at least 30 calendar days for Developers to update their proposed solutions to account for the modification if the solicitation period is completed, or (iii) re-start the Long-Term Transmission Selection Process and re-solicit solutions to address the modified Long-Term Transmission Need. In making this determination, the ISO will consider, among other things, the point in the Long-Term Transmission Selection Process in which the modification is identified, the extent of the modification to the originally identified Long-Term Transmission Need, and the potential impact to the competitive transmission evaluation and selection process of re-opening project proposals.

31.6.8.3 Disputes of NYPSC Determinations

In the event that a dispute is raised solely within the NYPSC's jurisdiction relating to any NYPSC decision to either accept or deny a proposed transmission need as one for which transmission solutions should be requested, the dispute shall be addressed through judicial review in the courts of the State of New York pursuant to Article 78 of the New York Civil Practice Law and Rules.

31.6.9 Long-Term Transmission Selection Process

31.6.9.1 Commencement of Long-Term Transmission Selection Process and Request for Proposed Solutions

31.6.9.1.1 If the NYPSC identifies one or more Long-Term Transmission Needs for the Long-Term Transmission Planning Process cycle pursuant to Section 31.6.8.1, then the ISO shall determine, and shall notify stakeholders of, the start date for the Long-Term Transmission Selection Process for that planning cycle. As part of this notice, the ISO shall include a schedule for the Long-Term Transmission Selection Process. The scheduled duration of the Long-Term Transmission Selection Process shall be a time period of up to 2 years from the start date established pursuant to this Section 31.6.9.1.1 to the scheduled date for the ISO Board's approval of the Long-Term Transmission Planning Report indicating its determination to select or not to select a Long-Term Transmission Project to address a Long-Term Transmission Need identified in that planning cycle.

31.6.9.1.2 The ISO will notify stakeholders if there are any extensions to the deadlines for the performance of the Long-Term Transmission Selection Process pursuant to Sections 31.1.8.6 or 31.1.8.7 or any delays in meeting the deadlines in the schedule for the Long-Term

Transmission Selection Process for the planning cycle that the ISO provides pursuant to Section 31.6.9.1.1, which extension or delay requires extending the scheduled duration of the Long-Term Transmission Selection Process. In such case, the ISO will provide stakeholders with an updated schedule that accounts for the estimated time for addressing the extension or delay and includes an explanation concerning the extension or delay.

31.6.9.1.3 In accordance with the schedule established pursuant to Section 31.6.9.1.1, the ISO will request that Developers propose specific solutions, whether Long-Term Transmission Project(s) or Other Long-Term Project(s), to satisfy each identified Long-Term Transmission Need in accordance with the requirements set forth in Section 31.6.9.3. An appeal of the NYPSC's determination of a Long-Term Transmission Need shall not delay the ISO's request for and evaluation of proposed solutions to address the Long-Term Transmission Need, unless the NYPSC's order has been stayed by a court of competent jurisdiction.

31.6.9.1.4 NYPSC Request for Solutions

In response to a Long-Term Transmission Need, the NYPSC may request the appropriate Transmission Owner(s) or Other Developer, as identified by the NYPSC, to propose a Long-Term Transmission Project. A request for the provision of a Long-Term Transmission Project or Other Long-Term Project by the NYPSC, pursuant to this section, is supplementary to, and not to the exclusion of, the submission of proposed projects pursuant to Section 31.6.9.1.3. Costs incurred by a Transmission Owner or Other Developer in preparing a proposed transmission solution in response to a request under this Section 31.6.9.1.4 will be recoverable under Section 31.5.7 and Rate Schedule 10 of the ISO OATT. The ISO shall allocate these costs among Load Serving Entities in accordance with Section 31.5.6.4.3, except as otherwise determined by the Commission.

31.6.9.2 Eligibility and Qualification Criteria for Developers and Projects

For purposes of fulfilling the requirements of the Developer qualification criteria in this Section 31.6.9.2 and its subsections, the term "Developer" includes Affiliates, as that term is defined in Section 2 of the ISO Services Tariff and Section 1 of the ISO OATT. To the extent that a Developer relies on Affiliate(s) to satisfy any or all of the qualification criteria set forth in Section 31.6.9.2.1.1, the Affiliate(s) shall provide to the ISO: (i) the information required in Section 31.6.9.2.1.1 to demonstrate its capability to satisfy the applicable qualification criteria and (ii) a notarized officer's certificate, signed by an authorized officer of the Affiliate with signatory authority, in a form acceptable to the ISO, certifying that the Affiliate will participate in the Developer's project in the manner described by the Developer and will abide by the requirements set forth in this Attachment Y, the ISO Tariffs, and ISO Procedures, related and applicable to the Affiliate's participation.

31.6.9.2.1 Developer Qualification and Timing

The ISO shall provide each Developer with an opportunity to demonstrate that it has or can draw upon the financial resources, technical expertise, and experience needed to finance, develop, construct, operate, and maintain a Long-Term Transmission Project. The ISO shall consider the qualification of each Developer in an evenhanded and non-discriminatory manner, treating Transmission Owners and Other Developers alike.

31.6.9.2.1.1 Developer Qualification Criteria

The ISO shall make a determination on the qualification of a Developer to propose to develop a Long-Term Transmission Project based on the following criteria:

31.6.9.2.1.1.1 The technical and engineering qualifications and experience of the Developer relevant to the development, construction, operation and maintenance of a transmission facility, including evidence of the Developer's demonstrated capability to adhere to standardized construction, maintenance, and operating practices and to contract with third parties to develop, construct, maintain, and/or operate transmission facilities;

31.6.9.2.1.1.2 The current and expected capabilities of the Developer to develop and construct a transmission facility and to operate and maintain it for the life of the facility. If the Developer has previously developed, constructed, maintained or operated transmission facilities, the Developer shall provide the ISO a description of the transmission facilities (not to exceed ten) that the Developer has previously developed, constructed, maintained or operated and the status of those facilities, including whether the construction was completed, whether the facility entered into commercial operations, whether the facility has been suspended or terminated for any reason, and evidence demonstrating the ability of the Developer to address and timely remedy any operational failure of the facilities; and

31.6.9.2.1.1.3 The Developer's current and expected capability to finance, or its experience in arranging financing for, transmission facilities. For purposes of the ISO's determination, the Developer shall provide the ISO:

(1) evidence of its demonstrated experience financing or arranging financing for transmission facilities, if any, including a description of such projects (not to exceed ten) over the previous ten years, the capital costs and financial structure of such projects, a description of any financing obtained for these projects through rates approved by the Commission or a state regulatory agency, the financing closing date of such projects, and whether any of the projects are in default;

(2) its audited annual financial statements from the most recent three years and its most recent quarterly financial statement or equivalent information, if available;

(3) its credit rating from Moody's Investor Services, Standard & Poor's, or Fitch or equivalent information, if available;

(4) a description of any prior bankruptcy declarations, material defaults, dissolution, merger or acquisition by the Developer or its predecessors or subsidiaries occurring within the previous five years; and

(5) such other evidence that demonstrates its current and expected capability to finance a project to solve a Long-Term Transmission Need.

31.6.9.2.1.1.4 A detailed plan describing how the Developer – in the absence of previous experience financing, developing, constructing, operating, or maintaining transmission facilities – will finance, develop, construct, operate, and maintain a transmission facility, including the financial, technical, and engineering qualifications and experience and capabilities of any third parties with which it will contract for these purposes.

31.6.9.2.1.2 Developer Qualification Determination

Any Developer seeking to be qualified may submit the required information, or update any previously submitted information, at any time. The ISO shall treat on a confidential basis in accordance with the requirements of its Code of Conduct in Attachment F of the ISO OATT any non-public financial qualification information that is submitted to the ISO by the Developer under Section 31.6.9.2.1.1.3 and is designated by the Developer as "Confidential Information." The ISO shall within 15 calendar days of a Developer's submittal, notify the Developer if the information is incomplete. If the submittal is deemed incomplete, the Developer shall submit the additional information within 30 calendar days of the ISO's request. The ISO shall notify the Developer of its qualification status within 30 calendar days of receiving all necessary information. A Developer shall retain its qualification status for a three-year period following the notification date; *provided, however*, that the ISO may revoke this status if it determines that there has been a material change in the Developer's qualifications and the Developer no longer meets the qualification requirements. A Developer that has been qualified shall inform the ISO within 30 calendar days of any material change to the information it provided regarding its qualifications and shall submit to the ISO each year its most recent audited annual financial statement when available. At the conclusion of the 3-year period or following the ISO's revocation of a Developer's qualification status, the Developer may re-apply for a qualification status under this section.

Any Developer determined by the ISO to be qualified under this section shall be eligible to propose a regulated Long-Term Transmission Project and shall be eligible to use the cost allocation and cost recovery mechanism for regulated Long-Term Transmission Projects set forth in Section 31.5 of this Attachment Y and the Rate Schedule 10 of the ISO OATT for any approved project.

31.6.9.3 Submittal of Project Information and Developer Qualification Information; Opportunity to Provide Additional Information; and Project Withdrawal

31.6.9.3.1 Following the posting of the NYPSC's determination of a Long-Term Transmission Need in accordance with Section 31.6.8.1 and before issuing a solicitation for solutions in accordance with Section 31.6.9.1.3, the ISO shall hold a technical conference with Developers and interested parties to obtain their input on the ISO's application of the selection metrics set forth in Section 31.6.10.4 for purposes of soliciting solutions to the Long-Term Transmission Need. To the extent practicable, before issuing a solicitation for solutions in accordance with Section 31.6.9.1.3, the ISO will present to Developers and interested parties a good faith estimate of any contingency percentage and escalation factors that its independent consultant may use in formulating capital cost estimates for proposed Long-Term Transmission Projects.

31.6.9.3.2 All Developers proposing Long-Term Transmission Projects or Other Long-Term Projects to satisfy a Long-Term Transmission Need shall submit to the ISO the project information required under Section 31.6.9.5 within 60 calendar days of the ISO's request for solutions to a Long-Term Transmission Need, which time period may be extended by the ISO pursuant to Section 31.1.8.7. The only permitted alternatives within a proposed Long-Term Transmission Project are routing alternatives as provided in Section 31.6.9.5.1.3. Any other alternative must be submitted as a separate Long-Term Transmission Project.

31.6.9.3.3 If the Developer submits Confidential Information, as defined in Section 31.6.15, as part of its project information submitted pursuant to Section 31.6.9.3.2 or as part of its additional project information submitted pursuant to Section 31.6.9.3.5, the Developer shall include this information in the appropriate form set forth in ISO Procedures.

31.6.9.3.4 The Developer of a Long-Term Transmission Project must also demonstrate to the ISO, simultaneous with its submission of project information, that it: (i) has submitted, as applicable, a new or revised Transmission

Interconnection Application under Attachment P to the ISO OATT or (ii) has completed a Cluster Study Process for a Cluster Study Transmission Project under Attachment HH to the ISO OATT. The project information submitted by the Developer for its Long-Term Transmission Project in accordance with Section 31.6.9.3 shall be the same as the Developer's proposed project in its Transmission Interconnection Application or Interconnection Request, as applicable, including the same transmission facilities that are part of the Long-Term Transmission Project (including Long-Term Transmission Upgrades and Right-Sized Replacement Transmission Facilities), electrical characteristics, related modeling information, and contingency information necessary to perform all analyses, including thermal, voltage, stability, short circuit, and transfer limit analyses.

31.6.9.3.5 If: (i) the ISO determines that a Developer's submission of its project information is incomplete, or (ii) the ISO determines at any time in the planning process that additional project information is required, the ISO shall request that the Developer provide additional project information within the timeframe set forth in Section 31.6.9.3.8. A Developer's failure to provide the information requested by the ISO or to satisfy the other requirements in Sections 31.6.9.3 or 31.6.9.4 within the required timeframes shall result in the rejection of the Developer's proposed Long-Term Transmission Project or Other Long-Term Project from further consideration during that planning cycle.

31.6.9.3.6 Any Developer that the ISO has determined under Section 31.6.9.2.1.2 to be qualified to propose to develop a transmission project as a transmission solution to a Long-Term Transmission Need may submit the required project information for its proposed Long-Term Transmission Project; *provided, however*, that based on the actual identified need that requires resolution, the ISO may request that the qualified Developer provide additional Developer qualification information within the timeframe set forth in Section 31.6.9.3.8.

31.6.9.3.7 Any Developer that has not been determined by the ISO to be qualified, but that wants to propose to develop a Long-Term Transmission Project, must submit to the ISO the information required for Developer qualification under Section 31.6.9.2.1 within 30 calendar days after a request for solutions is made by the ISO. The ISO shall, within 30 calendar days of a Developer's submittal of its Developer qualification information, notify the Developer if this information is incomplete and request that the Developer provide additional Developer qualification information within the timeframe set forth in Section 31.6.9.3.8. The ISO shall notify a Developer that has submitted the requested Developer qualification information whether it is qualified to propose to develop a Long-Term Transmission Project to be considered in that planning cycle.

31.6.9.3.8 The Developer shall submit additional Developer qualification information or project information required by the ISO within 15 calendar days of the ISO's request.

31.6.9.3.9 If a Developer fails to timely submit the additional Developer qualification information requested by the ISO, the Developer will not be eligible for its proposed Long-Term Transmission Project to be considered in that planning cycle.

31.6.9.3.10 Within 15 business days of the conclusion of the solicitation period established pursuant to Section 31.6.9.3.2 , the ISO shall publicly post a brief description of the project proposals received during the solicitation period in accordance with ISO Procedures, which description shall not include Critical Energy Infrastructure Information or Confidential Information, as defined in Section 31.6.15.

31.6.9.3.11 Following the ISO's determination that the project information submitted by the Developer for its proposed Long-Term Transmission Project pursuant to Sections 31.6.9.3.2 and 31.6.9.3.5 is complete (provided that the ISO may request at any time additional information pursuant to Section 31.6.9.3.5) and within180 calendar days after the conclusion of the solicitation period established pursuant to Section 31.6.9.3.2, the ISO shall make available upon request the project information required pursuant to Section 31.6.9.5 for the proposed Long-Term Transmission Projects that is not excluded from disclosure as Confidential Information pursuant to Section 31.6.15, subject to the requestor's compliance with the ISO's requirements concerning the disclosure of Critical Energy Infrastructure Information. Within sixty (60) calendar days of the ISO's receipt of any additional project information submitted by the Developer for its proposed Long-Term Transmission Project pursuant to Section 31.6.9.3.5, the ISO shall make available to any requestor that requested the initial submission of project information or upon request from any other requestor the additional project information that is not excluded from disclosure as Confidential Information pursuant to Section 31.6.15, subject to the requestor's compliance with the ISO's requirements concerning the disclosure of Critical Energy Infrastructure Information.

31.6.9.3.12 A Developer may withdraw its proposed Long-Term Transmission Project or Other Long-Term Project from consideration during the evaluation and selection process at any time prior to the ISO Board's decision by submitting written notice of the withdrawal to the ISO. A Developer that withdraws its proposed Long-Term Transmission Project or Other Long-Term Project shall pay to the ISO in accordance with the requirements in Section 31.6.9.4 the study costs incurred by the ISO in evaluating the Developer's proposed project prior to the ISO's receipt of the notice of withdrawal from the Developer.

31.6.9.4 Application Fee, Deposit, and Invoice and Payment Requirements for Proposed Long-Term Transmission Projects and Other Long-Term Projects

31.6.9.4.1 All Developers that propose Long-Term Transmission Projects and Other Long-Term Projects shall for each such project, at the same time that they provide project information pursuant to Section 31.6.9.3.2, (i) execute a study agreement with the ISO in the form set forth in Section 31.15 (Appendix L) of this Attachment Y for purposes of, as applicable: (A) the ISO's review of project information and evaluation of the proposed Long Term Transmission Project pursuant to Sections 31.6.9, 31.6.10, and 31.6.11, and, if applicable, the ISO's development of the Development Agreement and its appendices pursuant to Section 31.6.12.2 for the selected project or the portion of the project designated to the Developer, or (B) the ISO's review of project information and evaluation of the proposed Other Long-Term Project pursuant to Sections 31.6.9 and 31.6.10.6, and (ii) submit to the ISO: (A) a non-refundable application fee of $10,000, and (B) a deposit of $100,000, which shall be applied to study and administrative costs and subject to refund as described in this Section 31.6.9.4. The deposit shall be held in an interest-bearing account for which the interest earned will be associated with the Developer and shall be applied to study and administrative costs and be subject to refund as described in this Section 31.6.9.4. A Developer's or Designated Entity's responsibility concerning the costs the ISO incurs in connection with an effective Development Agreement or in performing a Reevaluation Process for a selected Long-Term Transmission Project shall be addressed in the Development Agreement(s) for the Designated Long-Term Transmission Projects that constitute the selected Long-Term Transmission Project.

31.6.9.4.2 The ISO shall charge, and a Developer proposing a Long-Term Transmission Project or an Other Long-Term Project shall pay, the actual costs, including the costs associated with the ISO's use of subcontractors, of, as applicable, (i) the ISO's review of project information and evaluation of the Developer's proposed Long-Term Transmission Project for purposes of the ISO's selection of the more efficient or cost-effective Long-Term Transmission Project to satisfy a Long-Term Transmission Need for cost allocation and cost recovery purposes and, if applicable, the ISO's development of the Development Agreement and its appendices for the selected project or the portion of the project designated to the Developer, or (ii) the ISO's review of project information and evaluation of the viability and sufficiency of the Developer's Other Long-Term Project. The ISO will track its staff and administrative costs, including any costs associated with using subcontractors, that it incurs in performing: (1) the review of project information and evaluation of a Developer's proposed Long-Term Transmission Project pursuant to Sections 31.6.9, 31.6.10, and 31.6.11 and, if applicable, the ISO's development of the Development Agreement and its appendices pursuant to Section 31.6.12.2 for the selected project or the portion of the project designated to the Developer, or (2) a Developer's proposed

Other Long-Term Project pursuant to Sections 31.6.9 and 31.6.10.6. If the ISO or its subcontractors perform study work on a combined basis for or across multiple proposed Long-Term Transmission Projects, multiple Other Long-Term Projects, and/or multiple Designated Long-Term Transmission Projects that constitute the selected Long-Term Transmission Project, the ISO will allocate the costs of the combined study work equally among the applicable Developers.

31.6.9.4.3 The ISO shall invoice the Developer monthly for study costs incurred by the ISO concerning the Developer's proposed Long-Term Transmission Project or Other Long-Term Project as described above. Such invoice shall include a description and an accounting of the study costs incurred by the ISO and estimated subcontractor costs. The Developer shall pay the invoiced amount within 30 calendar days of the ISO's issuance of the monthly invoice. The ISO shall continue to hold the full amount of the deposit until settlement of the final monthly invoice; *provided, however,* if a Developer: (i) does not pay its monthly invoice within the timeframe described above, or (ii) does not pay a disputed amount into an independent escrow account as described below, the ISO may draw upon the deposit to recover the owed amount. If the ISO must draw on the deposit, the ISO shall provide notice to the Developer, and the Developer shall make payments to the ISO to restore the full deposit amount within thirty (30) calendar days of such notice. If the Developer fails to make such payments, the ISO may halt its evaluation of the Developer's proposed Long-Term Transmission Project or Other Long-Term Project or its development of the Development Agreement for the Designated Long-Term Transmission Project and may disqualify the Developer's proposed project from further consideration. The ISO shall issue a final invoice after any of the following actions: (i) the ISO's conclusion of its evaluation of (A) the Developer's proposed Long-Term Transmission Project that is not selected as the more efficient or cost-effective Long-Term Transmission Project for that planning cycle or (B) the Developer's proposed Other Long-Term Project; (ii) the ISO's conclusion of the Long-Term Transmission Planning Process due to the NYPSC's withdrawal of the Long-Term Transmission Need in accordance with Section 31.6.8.2.1 or due to a re-start of the process to address a modified Long-Term Transmission Need in accordance with Section 31.6.8.2.2; (iii) the Developer's withdrawal of its proposed Long-Term Transmission Project or Other Long-Term Project; (iv) the Developer's failure to pay an invoiced amount that results in the ISO's halting of its evaluation of the proposed Long-Term Transmission Project or Other Long-Term Project or its development of the Development Agreement; or (v) the ISO's and Designated Entity's full execution of a Development Agreement for the Designated Long-Term Transmission Project that is, or is a portion of, the selected Long-Term Transmission Project or the Commission's acceptance of an unexecuted version of the Development Agreement. The ISO shall refund to the Developer any portion of the Developer's deposit submitted to the ISO under Section 31.6.9.4 and any interest actually earned on the deposited amount that together exceeds the outstanding amounts that the ISO has incurred pursuant to Section 31.6.9.4 concerning that Developer's proposed Long-Term Transmission Project or Other Long-Term Project. The ISO shall refund the remaining portion within ninety (90) calendar days of the ISO's receipt of a Developer's payment for its final invoice.

31.6.9.4.4 In the event of a Developer's dispute over invoiced amounts, the Developer shall: (i) timely pay any undisputed amounts to the ISO, and (ii) pay into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Developer fails to meet these two requirements, then the ISO shall not be obligated to perform or continue to perform its review and evaluation of the Developer's proposed Long-Term

Transmission Project or Other Long-Term Project or its development of the Development Agreement. Disputes arising under this section shall be addressed through the Dispute Resolution Procedures set forth in Section 2.16 of the ISO OATT and Section 11 of the ISO Services Tariff. Within thirty (30) calendar days after resolution of the dispute, the Developer will pay the ISO any amounts due with interest actually earned on such amounts.

31.6.9.5 Project Information Requirements

31.6.9.5.1 Requirements for Long-Term Transmission Projects

31.6.9.5.1.1 In response to the ISO's solicitation for solutions pursuant to Section 31.6.9.3.2, a Developer proposing a Long-Term Transmission Project to satisfy a Long-Term Transmission Need must provide, at a minimum, the following details: (1) contact information; (2) the lead time necessary to complete the project, including, if available, the construction windows in which the Developer can perform construction and what, if any, outages may be required during these periods; (3) a description of the project, including type, size, and geographic and electrical location, as well as planning and engineering specifications as appropriate and Developer's identification of any Long-Term Transmission Upgrade(s) or any Right-Sized Replacement Transmission Facility(ies) included as part of its project; (4) evidence of a commercially viable technology; (5) a detailed major milestone schedule and expected In-Service Date of the project, as well as identification of in-service dates for specific components (such as a Long-Term Transmission Upgrade or Right-Sized Replacement Transmission Facility) to properly sequence the project; (6) a schedule for obtaining any required permits and other certifications; (7) a transmission and substation routing study or studies and demonstration that the Developer already possesses the rights of way necessary to implement the project or has specified a detailed plan or approach and schedule for acquiring property rights; (8) status of any contracts (other than an interconnection agreement) that are under negotiations or in place, including any contracts with third-party contractors; (9) a Transmission Interconnection Application or Interconnection Request, as applicable, as described in Section 31.6.9.3.4; (10) status of equipment availability and procurement; (11) evidence of financing or ability to finance the project; (12) capital cost estimates for the project; (13) any Voluntary Funding Arrangement that the Developer voluntary submits in accordance with Section 31.6.9.5.1.9; (14) any Cost Cap that the Developer voluntarily submits in accordance with Section 31.6.9.5.1.10; (15) a description of permitting requirements and other specific risks facing the project at the stage of project development, including any specific proposed mitigation to permitting risks, and evidence of the reasonableness of project capital cost estimates all based on the information available at the time of the submission; (16) a description of any Alternative Transmission Technologies included as part of the project or an explanation of Developer's determination not to propose these technologies as described in Section 31.6.9.5.1.7; and (17) any other information required by ISO Procedures or requested by the ISO.

31.6.9.5.1.2 A Developer shall submit the following information to indicate its capital cost estimates for the project. The Developer shall provide the ISO with credible capital cost estimates for its proposed project, with itemized supporting work sheets that identify all material and labor cost assumptions, and related drawings to the extent applicable and available. The work sheets should include an estimated quantification of cost variance, providing an assumed plus/minus range around the capital cost estimate. The estimate shall include all components that are needed to meet the Long-Term Transmission Need. To the extent information is available, the Developer should itemize: material and labor cost by equipment, engineering and design work, permitting, site acquisition, procurement and construction work, and commissioning needed for the proposed project, all in accordance with Good Utility Practice. For each of these cost categories, the Developer should specify the nature and estimated cost of all major project components and estimate the cost of the work to be done at each substation and/or on each feeder to physically and electrically connect each facility to the existing system. The work sheets should itemize to the extent applicable and all available equipment for: (i) the proposed project (separately identifying new transmission facilities, Long-Term Transmission Upgrades, and Right-Sized Replacement Transmission Facilities) and (ii) Network Upgrade Facilities, System Upgrade Facilities, System Deliverability Upgrades, Network Upgrades, Distribution Upgrades, and/or Attachment Facilities, as applicable, that: (a) the ISO has identified as required to interconnect the proposed project to the New York State Transmission System in compliance with the applicable interconnections standard in an interconnection study or transmission expansion study that is performed under Sections 3.7 or 4.5 of the ISO OATT or Attachments P or HH of the ISO OATT or (b) the Developer voluntarily identifies as potentially necessary to reliably interconnect the proposed project (subject to modification based on ISO-conducted interconnection or transmission expansion studies, as applicable).

31.6.9.5.1.3 A completed transmission and substation routing study provided by the Developer shall: (i) identify a specific routing plan and, if applicable, any alternatives, (ii) include a schedule indicating the timing for obtaining siting and permitting, and (iii) provide specific attention to sensitive areas (*e.g.,* wetlands, river crossings, protected areas, and schools).

31.6.9.5.1.4 A Developer shall submit the following information to indicate the status of any contracts: (i) copies of all final contracts the ISO determines are relevant to its consideration, or (ii) where one or more contracts are pending, a timeline on the status of discussions and negotiations with the relevant documents and when the negotiations are expected to be completed. The final contracts shall be submitted to the ISO when available. The ISO shall treat on a confidential basis in accordance with the requirements of Section 31.6.15 and its Code of Conduct in Attachment F of the ISO OATT any contract that is submitted to the ISO and is designated by the Developer as "Confidential Information."

31.6.9.5.1.5 A Developer shall submit the following information to indicate the status of any required permits: (i) copies of all final permits received that the ISO determines are relevant to its consideration, or (ii) where one or more permits are pending, the completed permit application(s) with information on what additional actions must be taken to meet the permit requirements and a timeline providing the expected timing for finalization and receipt of the final permit(s). The final permits shall be submitted to the ISO when available.

31.6.9.5.1.6 A Developer shall submit the following information, as appropriate, to indicate evidence of financing by it or any Affiliate upon which it is relying for financing: (i) evidence of self-financing or project financing through approved rates or the ability to do so, (ii) copies of all loan commitment letter(s) and signed financing contract(s), or (iii) where such financing is pending, the status of the application for any relevant financing, including a timeline providing the status of discussions and negotiations of relevant documents and when the negotiations are expected to be completed. The final contracts or approved rates shall be submitted to the ISO when available.

31.6.9.5.1.7 A Developer shall indicate with its project information whether any element of its proposed Long-Term Transmission Project includes Alternative Transmission Technologies. If a Developer does not propose to include any of the Alternative Transmission Technologies as part of its proposed Long-Term Transmission Project, the Developer shall provide with its project information an explanation detailing why it did not include any of the Alternative Transmission Technologies, including whether it did not include them due to concerns over the costs of upgrading energy management systems.

31.6.9.5.1.8 Upon the completion of any interconnection study or transmission expansion study of a proposed Long-Term Transmission Project that is performed under Sections 3.7 or 4.5 of the ISO OATT or Attachments P or HH of the ISO OATT, the Developer of the proposed project shall notify the ISO that the study has been completed and, at the ISO's request, shall submit to the ISO any study report and related materials prepared in connection with the study.

31.6.9.5.1.9 A Developer may submit with its project information a commitment to use an arrangement by which a New York State governmental entity, a local governmental entity in New York State, and/or one or more third-party entities (the "Funding Entity") will fund the costs of, or a portion of the costs of, the proposed Long-Term Transmission Project in place of the costs being recoverable through the project's transmission rates (the "Voluntary Funding Arrangement"). A Developer that commits to use a Voluntary Funding Arrangement must satisfy the requirements in this Section 31.6.9.5.1.9.

31.6.9.5.1.9.1 A Developer proposing to use a Voluntary Funding Arrangement must submit with its project information the following information and documents concerning the arrangement: (i) a list of the transmission facilities that are part of the Long-Term Transmission Project that will be subject to the Voluntary Funding Arrangement; (ii) the identity of the Funding Entity that has agreed to provide funding for these facilities; (iii) the amount of funding that the Funding Entity has agreed to provide for each of the transmission facilities in the Long-Term Transmission Project; (iv) the mechanism by which the Funding Entity will provide its funding and documentation confirming the source of funding and the scope, terms, and enforceability of the mechanism (e.g., copies of contracts between the Developer and the Funding Entity, order authorizing state funding for project), including whether this funding is applicable solely to the Developer or can be applied to a Transmission Owner for which the ISO designates a portion of the Long-Term Transmission Project; (v) documentation concerning the Funding Entity's current and expected capability to finance, or its experience in arranging financing for, transmission facilities in accordance with the requirements in Section 31.6.9.2.1.1.3; (vi) a notarized certification signed by an authorized officer of the Developer, in a form acceptable to the ISO, confirming the Developer's commitment to use the Voluntary Funding Arrangement and not to recover through its transmission rates the costs that it has committed to recover through the Voluntary Funding Arrangement; and (vii) a notarized certification signed by an authorized officer of the Funding Entity or equivalent official with the authority to bind its organization or state or local entity, in a form acceptable to the ISO, confirming the Funding Entity's agreement to fund the costs, or a portion of the costs, of the Long-Term Transmission Project consistent with the description of the Voluntary Funding Arrangement provided by the Developer.

31.6.9.5.1.9.2 If, pursuant to Section 31.6.9.6, the ISO determines that a transmission facility that is, or is a part of, the Long-Term Transmission Project must be classified differently than the Developer's classification in its project submission (i.e., new transmission facility, Long-Term Transmission Upgrade, or Right-Sized Replacement Transmission Facility), the Developer may update the information it provided pursuant to Section 31.6.9.5.1.9.1 that is required to account for the new classification up to thirty (30) calendar days following the ISO's posting of the final list classifying the proposed transmission facilities pursuant to Section 31.6.9.6.

31.6.9.5.1.9.3 If a Developer proposes a Voluntary Funding Arrangement for a Long-Term Transmission Project that includes a transmission facility that satisfies the definition of a Long-Term Transmission Upgrade or a Right-Sized Replacement Transmission Facility, the Developer must coordinate in good faith with the Transmission Owner that is eligible to be designated as the Designated Entity to build, own, and recover the costs of that facility pursuant to Section 31.6.11.5 concerning whether or not the Transmission Owner commits to use the Voluntary Funding Arrangement subject to its election to be the Designated Entity of the facility pursuant to Section 31.6.11.5. If the Transmission Owner commits to use the Voluntary Funding Arrangement, the Developer shall submit to the ISO, in addition to the information and documentation required in Section 31.6.9.5.1.9.1, the following information up to thirty (30) calendar days following the ISO's posting of the final list classifying the proposed transmission facilities for that planning cycle pursuant to Section 31.6.9.6: (i) the list of Long-Term Transmission Upgrades and Right-Sized Replacement Transmission Facilities subject to the Voluntary Funding Arrangement, (ii) the amount of funding that the Funding Entity has agreed to provide for each of the transmission facilities; (iii) the mechanism by which the Funding Entity will provide this funding to the Transmission Owner or will transfer this funding from the Developer to the Transmission Owner; and (iv) a notarized certification signed by an authorized officer of the Transmission Owner, in a form acceptable to the ISO, confirming the Transmission Owner's commitment to use the Voluntary Fund Arrangement and not to recover through its transmission rates the costs that it has committed to recover through the Voluntary Funding Arrangement. The Transmission Owner shall not be required to use the Voluntary Funding Arrangement for any

Designated Long-Term Transmission Project unless it has provided the notarized certification pursuant to this Section 31.6.9.5.1.9.3.

31.6.9.5.1.9.4 If the ISO selects a Long-Term Transmission Project pursuant to Section 31.6.11 for which the Developer committed to use a Voluntary Funding Arrangement, the Developer – and any other Transmission Owner that committed to using the Voluntary Funding Arrangement if it elects to be a Designated Entity pursuant to Section 31.6.11.5 – shall: (i) include the Voluntary Funding Arrangement in its Development Agreement for its Designated Long-Term Transmission Project in accordance with Section 31.6.12.2 and (ii) detail its Voluntary Funding Arrangement for its Designated Long-Term Transmission Project with any transmission rate filing at the Commission and not seek to recover through its transmission rates the project costs that it committed to recover through the Voluntary Funding Arrangement in accordance with Section 6.10.6 of the ISO OATT.

31.6.9.5.1.10 A Developer may voluntarily submit with its project information a Cost Cap for its proposed Long-Term Transmission Project that covers its Included Capital Costs, as defined in Section 31.6.9.5.1.10.1, but not its Excluded Capital Costs, as defined in Section 31.6.9.5.1.10.2. The Developer must submit any Cost Cap in the form of a hard Cost Cap or a soft Cost Cap in accordance with Section 31.6.9.5.1.10.3. If the Developer's proposed Long-Term Transmission Project is selected by the ISO pursuant to Section 31.6.11.4, the Developer shall include its proposed Cost Cap in its Development Agreement for its Designated Long-Term Transmission Project in accordance with Section 31.6.12.2. In accordance with

Section 6.10.6 of the ISO OATT, the Developer of the selected Long-Term Transmission Project shall file its Cost Cap for its Designated Long-Term Transmission Project at the Commission and shall not seek to recover through its transmission rates or through any other means costs for the Included Capital Costs above its agreed-upon Cost Cap, except as permitted for excusing conditions in Section 6.10.6.2 of the ISO OATT. The Developer of the selected Long-Term Transmission Project may recover for its Designated Long-Term Transmission Project through Rate Schedule 10 of the ISO OATT, subject to the cost recovery requirements in Section 6.10.4 or 6.10.5, as applicable, of the ISO OATT, the Included Capital Costs that do not exceed the amount in its Cost Cap, Excluded Capital Costs as defined in Section 31.6.9.5.1.10.2, and any Included Capital Costs permitted for excusing conditions as defined in Section 6.10.6.2 of the ISO OATT.

31.6.9.5.1.10.1 A Developer that elects to submit a Cost Cap for its proposed Long-Term Transmission Project must propose to contain all capital costs incurred by a Developer to plan for and construct a Long-Term Transmission Project, and to make it ready for its intended use (the "Included Capital Costs"), with the exception of the capital costs defined as Excluded Capital Costs in Section 31.6.9.5.1.10.2. Capital costs include the cost of contract work, labor, materials and supplies, software, transportation, special machine services, shop services, protection, injuries and damages, privileges and permits, engineering services, reasonably expected environmental site remediation and environmental mitigation costs as described in Section 31.6.9.5.1.10.1.1, general administration services, legal services, real estate and land rights, rents, studies, training, asset retirement, and taxes. At its option, a Developer may choose to include as Included Capital Costs real estate costs for existing rights-of-way that are part of the proposed Long-Term Transmission Project, but are not owned by the Developer (*e.g.*, existing utility rights-of-way).

31.6.9.5.1.10.1.1 For purposes of Section 31.6.9.5.1.10.1, the phrase "reasonably expected environmental site remediation and environmental mitigation costs" means any estimated site investigation and remediation costs to the extent they would arise in the normal course of planning and constructing a Long-Term Transmission Project, which includes, but is not limited to, the following circumstances:

(i) For project sites for which an environmental site assessment has already been conducted or environmental remediation or mitigation activities are ongoing, the Developer shall provide an estimate of any additional environmental site investigation, remediation, or mitigation that is known or reasonably anticipated at the time of submission.

(ii) For project sites for which the Developer has no reason to believe any environmental remediation or mitigation is required without undertaking a site investigation, such as but not limited to any greenfield or undeveloped land, the Developer shall provide an estimate of the cost to perform a Phase I Environmental Site Assessment on a per mile basis.

(iii) For project sites for which the Developer has reason to believe environmental site investigation, remediation, or mitigation may be required, the Developer shall provide an estimate of the cost to perform such environmental site investigation, remediation, or mitigation to the extent possible based upon the information reasonably available to the Developer at the time of submission.

31.6.9.5.1.10.2 A Developer may not include the "Excluded Capital Costs" of a proposed Long-Term Transmission Project in a Cost Cap submitted to the ISO. Excluded Capital Costs include the following categories of costs: (i) the cost of Long-Term Transmission Upgrade(s); (ii) the cost of Right-Sized Replacement Transmission Facilities; (iii) the cost of upgrade facilities determined by the ISO that are necessary for the reliable interconnection of the proposed Long-Term Transmission Project in one of its transmission expansion or interconnection processes; (iv) debt costs, allowance for funds used during construction ("AFUDC"), and other representations of the cost of financing the transmission project during the construction timeframe that may be included as part of the capital cost of the project when it enters into service or as otherwise determined by the Commission; (v) unforeseeable environmental remediation and environmental mitigation costs as described in Section 31.6.9.5.1.10.2.1; (vi) real estate costs for existing rights-of-way that are part of the proposed Long-Term Transmission Project, but are not owned by the Developer, that the Developer chooses not to include as Included Capital Costs pursuant to Section 31.6.9.5.1.10.1; and (vii) the costs of integrating the Long-Term Transmission Project into the ISO's energy management system(s).

31.6.9.5.1.10.2.1 For purposes of Section 31.6.9.5.1.10.2, the phrase "unforeseeable environmental remediation and environmental mitigation costs" means any costs relating to environmental remediation and environmental mitigation that are not anticipated by the Developer or are otherwise indeterminable based upon information reasonably available to the Developer at the time of submission, including any environmental remediation or mitigation costs that cannot be estimated by the Developer without performing an environmental site assessment or investigation; *provided, however*, that the cost of conducting such environmental site assessment or investigation shall be considered an Included Capital Cost pursuant to Section 31.6.9.5.1.10.1. Costs attributable to environmental investigation, remediation, and mitigation that exceed the amount estimated in the Developer's bid based on, among other things, changes in the extent of known contamination will be considered "unforeseeable environmental remediation and environmental mitigation costs" and Excluded Capital Costs.

31.6.9.5.1.10.3 A Developer may submit a Cost Cap for its proposed Long-Term Transmission Project in the form of a hard Cost Cap or a soft Cost Cap. A hard Cost Cap for Included Capital Costs is a dollar amount for those costs above which the Developer commits in its proposed Long-Term Transmission Project not to recover from ratepayers. A soft Cost Cap for Included Capital Costs is a dollar amount for those costs above which the Included Capital Costs are shared between the Developer and ratepayers based on a defined percentage. The Developer's percentage of cost sharing under a soft Cost Cap of Included Capital Costs shall be at least twenty (20) percent.

31.6.9.5.1.10.4 A Developer must include contingency percentage and escalation factors, if any, applicable to the Included Capital Costs in its Cost Cap provided to the ISO as part of its proposal.

31.6.9.5.1.10.5 If, pursuant to Section 31.6.9.6, the ISO determines that a transmission facility that is, or is a part of, the Long-Term Transmission Project must be classified differently than Developer's classification in its project submission (i.e., new transmission facility, Long-Term Transmission Upgrade, or Right-Sized Replacement Transmission Facility), Developer may provide a revised Cost Cap that is required to account for the new classification up to thirty (30) calendar days following the ISO's posting of the final list classifying the proposed transmission facilities pursuant to Section 31.6.9.6.

31.6.9.5.2 Requirements for Other Long-Term Projects

31.6.9.5.2.1 In response to the ISO's solicitation for solutions pursuant to Section 31.6.9.3.2, a Developer proposing an Other Long-Term Project to satisfy a Long-Term Transmission Need must provide, at a minimum: (1) contact information; (2) the lead time necessary to complete the project, including, if available, the construction windows in which the Developer can perform construction and what, if any, outages may be required during these periods; (3) a description of the project, including type, size, and geographic and electrical location, as well as planning and engineering specifications and drawings as appropriate; (4) evidence of a commercially viable technology; (5) a major milestone schedule; (6) a schedule for obtaining any required permits and other certifications, if available; (7) a demonstration of Site Control or a schedule for obtaining Site Control, as applicable; (8) the status of any contracts (other than an interconnection agreement) that are under negotiation or in place; (9) the status of ISO interconnection studies and interconnection agreement, as applicable and if available; (10) the status of equipment availability and procurement, as applicable and if available; (11) evidence of financing or ability to finance the project; and (12) any other information required by ISO Procedures or requested by the ISO.

31.6.9.5.2.2 A Developer shall submit the following information to indicate the status of any contracts: (i) copies of all final contracts the ISO determines are relevant to its consideration, or (ii) where one or more contracts are pending, a timeline on the status of discussions and negotiations with the relevant documents and when the negotiations are expected to be completed. The final contracts shall be submitted to the ISO when available. The ISO shall treat on a confidential basis in accordance with the requirements of Section 31.6.15 and its Code of Conduct in Attachment F of the ISO OATT any contract that is submitted to the ISO and is designated by the Developer as "Confidential Information."

31.6.9.5.2.3 A Developer shall submit the following information to indicate the status of any required permits: (i) copies of all final permits received that the ISO determines are relevant to its consideration, or (ii) where one or more permits are pending, the completed permit application(s) with information on what additional actions must be taken to meet the permit requirements and a timeline providing the expected timing for finalization and receipt of the final permit(s). The final permits shall be submitted to the ISO when available.

31.6.9.5.2.4 A Developer shall submit the following information, as appropriate, to indicate evidence of financing by it or any Affiliate upon which it is relying for financing: (i) copies of all loan commitment letter(s) and signed financing contract(s), or (ii) where such financing is pending, the status of the application for any relevant financing, including a timeline providing the status of discussions and negotiations of relevant documents and when the negotiations are expected to be completed. The final contracts shall be submitted to the ISO when available.

31.6.9.5.2.5 Upon the completion of any interconnection study or transmission expansion study of a proposed Other Long-Term Project that is performed under Sections 3.7 or 4.5 of the ISO OATT or Attachments P or HH of the ISO OATT, the Developer of the proposed project shall notify the ISO that the study has been completed and, at the ISO's request, shall submit to the ISO any study report and related materials prepared in connection with the study.

31.6.9.6 Identification of Long-Term Transmission Upgrades and Right-Sized Replacement Transmission Facilities in Proposed Long-Term Transmission Projects

The ISO shall post a list of the facilities that make up the proposed Long-Term Transmission Projects (but not including potential interconnection facilities) within 180 calendar days from the conclusion of the solicitation period established pursuant to Section 31.6.9.3.2. Upon the ISO's request, a Transmission Owner shall promptly provide the ISO with the system information it requires to develop this list of facilities. The list will identify which facilities are new transmission facilities and which facilities satisfy the definition of a Long-Term Transmission Upgrade or Right-Sized Replacement Transmission Facility. For those facilities that satisfy the definition of a Long-Term Transmission Upgrade or a Right-Sized Replacement

Transmission Facility, the list will also specify the Transmission Owner that owns the existing transmission facility that would be modified by an identified Long-Term Transmission Upgrade or a Right-Sized Replacement Transmission Facility, to the extent such information is available. The ISO shall also include in the list, for informational purposes only, interconnection facilities identified in a proposal submitted by a Developer in accordance with Section 31.6.9.5.1.2. Any interested party may dispute the ISO's determination to identify, or not identify, a facility as a Long-Term Transmission Upgrade or a Right-Sized Replacement Transmission Facility by providing the ISO with written notice within 20 calendar days of the ISO's posting of the list pursuant to this Section 31.6.9.6, which notice shall be posted on the ISO's website. The ISO and the disputing party(ies) should attempt to resolve such dispute(s) through the ISO governance procedures and as provided in Section 31.1.8.4 of this Attachment Y. The ISO shall post the final list no later than its posting of the draft Long-Term Transmission Planning Report pursuant to Section 31.6.11.3 and shall note whether any of the facilities still have pending disputes at the time the list is posted.

31.6.10 ISO Evaluation of Proposed Solutions to Long-Term Transmission Needs and Application of Selection Metrics to Proposed Long-Term Transmission Projects

31.6.10.1 Scenarios and Sensitivities for Evaluation

The ISO will use the Long-Term Scenarios, the Extreme Weather Sensitivity, and, at its discretion, any additional scenarios and sensitivities developed for the Outlook, as updated pursuant to this Section 31.6.10.1, to evaluate proposed Long-Term Transmission Projects and Other Long-Term Projects. The ISO may develop additional scenarios and sensitivities for purposes of the evaluation process. The ISO may, at its discretion and in consultation with the

ESPWG and the NYDPS, update the assumptions during the evaluation process to account for significant and material changes to the factors or data inputs underlying those assumptions.

The ISO may update the Foundation Case, Long-Term Scenarios, the Extreme Weather Sensitivity, or any additional scenarios or sensitivities: (i) to provide for a reliable system developed consistent with the requirements in Section 31.6.4.1.2, and (ii) to perform additional updates in accordance with ISO Procedures. The ISO will extend the Foundation Case, Long-Term Scenarios, the Extreme Weather Sensitivity, and any additional scenarios and sensitivities, as needed, to cover the 20-year time period following the latest in-service date of the proposed Long-Term Transmission Projects.

31.6.10.2 Comparable Evaluation of All Proposed Solutions

The ISO shall evaluate any proposed Long-Term Transmission Project or Other Long-Term Project submitted by a Developer to satisfy a Long-Term Transmission Need. The proposed solution may include, as applicable, multiple components and resource types. When evaluating proposed solutions to a Long-Term Transmission Need from any Developer, the ISO shall consider all resource types – including generation, transmission, demand response, or a combination of these resource types – on a comparable basis as potential solutions. All solutions will be evaluated in the same general time frame.

31.6.10.3 ISO's Application of Selection Metrics for Assessing the More Efficient or Cost-Effective Long-Term Transmission Project to Satisfy a Long-Term Transmission Need

A proposed regulated Long-Term Transmission Project submitted by a Developer shall be eligible under Section 31.6.11 for selection in the Long-Term Transmission Planning Report for the purpose of cost allocation and cost recovery under the ISO OATT. The ISO shall evaluate any proposed regulated Long-Term Transmission Projects that are eligible for selection in the planning cycle of the Long-Term Transmission Planning Process using the metrics set forth in Section 31.6.10.4. For purposes of this evaluation, the ISO will review the information submitted by the Developer and determine whether it is reasonable and how such information should be used for purposes of the ISO evaluating each metric. As part of this review, the ISO will assess the extent to which a Developer's proposed Voluntary Funding Arrangement for a Long-Term Transmission Project can be reasonably relied upon for purposes of determining how such arrangement should be used in applying the metrics to the project. In its review, the ISO will give due consideration to the status of, and any available results of, any applicable interconnection or transmission expansion studies concerning the proposed Long-Term Transmission Project performed in accordance with Sections 3.7 or 4.5 of the ISO OATT or Attachments P or HH of the ISO OATT. The ISO may engage an independent consultant to review the reasonableness and comprehensiveness of the information submitted by the Developer and may rely on the independent consultant's analysis in evaluating each metric. In formulating the independent consultant's estimate for the total capital costs of a Long-Term Transmission Project, the ISO and its independent consultant may add appropriate contingency percentages and escalation factors. The ISO shall select in the Long-Term Transmission Planning Report for cost allocation and cost recovery purposes the more efficient or cost-effective transmission solution to satisfy a Long-Term Transmission Need in the manner set forth in Section 31.6.11.

31.6.10.4 Metrics for Evaluating More Efficient or Cost-Effective Regulated Long-Term Transmission Project to Satisfy Long-Term Transmission Need

31.6.10.4.1 In determining which of the eligible proposed regulated Long-Term Transmission Projects is the more efficient or cost-effective solution to satisfy a Long-Term Transmission Need, the ISO will apply the metrics set forth below, as further detailed in ISO

Procedures, to each proposed regulated Long-Term Transmission Project using the Long-Term Scenarios, the Extreme Weather Sensitivity, and, at its discretion, any additional scenarios and sensitivities and using a time horizon that extends to 20-years from the latest in-service date of the proposed Long-Term Transmission Projects. The ISO will consult with the NYDPS regarding the application of the metrics. The ISO will rank proposed Long-Term Transmission Projects, or a subset of the projects, based on the quality of their satisfaction of the metrics.

31.6.10.4.2 The ISO shall apply all of the metrics set forth in this Section 31.6.10.4.2 for the proposed Long-Term Transmission Projects.

31.6.10.4.2.1 The reduction in costs due to avoided or delayed transmission investment otherwise required to address reliability needs or replace aging transmission facilities.

31.6.10.4.2.2 The reduction of loss of load probability or the reduction in the capital costs of generation required to meet resource adequacy requirements (i.e., reserve margin).

31.6.10.4.2.3 The changes in production cost due to the proposed regulated Long-Term Transmission Project.

31.6.10.4.2.4 The reduction in total energy required to meet demand stemming from reduced energy losses incurred in transmittal of power from generation to load.

31.6.10.4.2.5 The reduction in production costs resulting from avoided congestion during transmission outages.

31.6.10.4.2.6 The reduction in production costs and reduced loss of load (or emergency procurements necessary to support the system), including due to increased interregional transfer capability, during extreme weather events and unexpected system conditions.

31.6.10.4.2.7 The reduction in generation capacity investment needed to meet peak load.

31.6.10.4.3 The ISO, at its discretion and in consultation with the NYDPS and the ESPWG, will determine based on the particular Long-Term Transmission Need whether to apply one or more of the additional metrics included in this Section 31.6.10.4.3 to the Long-Term Transmission Projects or a subset of the projects.

31.6.10.4.3.1 The capital cost estimates for the proposed regulated Long-Term Transmission Project, including accuracy of the proposed estimates and any Cost Cap voluntarily submitted by the Developer of the proposed Long-Term Transmission Project pursuant to Sections 31.6.9.5.1.1 and 31.6.9.5.1.10. For this evaluation, the ISO may apply an independent capital cost estimate, contingency percentage, and escalation factors for the Long-Term Transmission Upgrade and Right-Sized Replacement Transmission Facility components of a proposed regulated Long-Term Transmission Project.

31.6.10.4.3.2 A qualitative evaluation of any Cost Cap voluntarily submitted by the Developer of the proposed Long-Term Transmission Project as determined pursuant to Section 31.6.10.5.2.

31.6.10.4.3.3 The cost per MW ratio of the proposed regulated Long-Term Transmission Project. For this evaluation, the ISO will first determine the present worth, in dollars, of the total capital cost of the proposed project in current year dollars as determined by Section 31.6.10.4.3.1. The ISO will then determine the cost per MW ratio by dividing the capital cost by the MW value of increased transfer capability.

31.6.10.4.3.4 The expandability of the proposed regulated Long-Term Transmission Project. The ISO will consider the impact of the proposed project on future construction. The ISO will also consider the extent to which any subsequent expansion will continue to use this proposed project within the context of system expansion.

31.6.10.4.3.5 The operability of the proposed regulated Long-Term Transmission Project. The ISO will consider how the proposed project may affect additional flexibility in operating the system during construction of the project and after the project is in-service, such as dispatch of generation, access to operating reserves, access to ancillary services, or ability to remove transmission for maintenance. The ISO will also consider how the proposed project may affect the cost of operating the system, such as how it may affect the need for operating generation out of merit for reliability needs, reducing the need to cycle generation, or providing more balance in the system to respond to system conditions that are more severe than design conditions.

31.6.10.4.3.6 The performance of the proposed regulated Long-Term Transmission Project. The ISO will consider how the proposed project may affect the utilization of the system (*e.g.*, interface flows, percent loading of facilities).

31.6.10.4.3.7 The extent to which the Developer of a proposed regulated Long-Term Transmission Project has the property rights, or ability to obtain the property rights, required to implement the project. The ISO will consider the completed transmission and substation routing studies, including identified routing alternatives, and whether the Developer: (i) already possesses the rights of way necessary to implement the project; or (ii) has specified a plan or approach and schedule for determining routing and acquiring property rights.

31.6.10.4.3.8 The potential issues associated with delay in constructing the proposed regulated Long-Term Transmission Project consistent with the major milestone schedule and the schedule for obtaining any permits and other certifications as required to timely meet the need.

31.6.10.4.3.9 The ISO shall apply any criteria provided by the NYPSC with its identification of the Long-Term Transmission Need and perform the analyses requested by the NYPSC, to the extent compliance with such criteria and analyses are feasible.

31.6.10.4.3.10 Additional metrics such as: LBMP; emissions; impact on transfer limits; deliverability; and other metrics as appropriate based on the Long-Term Transmission Need.

31.6.10.5 Evaluation of Capital Cost and Cost Caps for Included Capital Costs

The ISO will consider in its evaluation and selection of the more efficient or cost-effective transmission solution any voluntary Cost Cap made by a Developer on a quantitative and qualitative basis as described in this Section 31.6.10.5. Any voluntarily submitted Cost Cap by the Developer under Section 31.6.9.5.1.10.5 will not be considered for purposes of the ISO's evaluation to the extent that the Cost Cap includes any Long-Term Transmission Upgrade or Right-Sized Replacement Transmission Facility as an Included Capital Cost.

31.6.10.5.1 Quantitative Evaluation of Cost Cap. The ISO will use the Developer's Cost Cap in the manner described in this Section 31.6.10.5.1 in estimating the total capital costs for the transmission facilities that are part of the Included Capital Costs of the Developer's Long-Term Transmission Project for purposes of the ISO's evaluation of that project under the metrics set forth in Section 31.6.10.4. If the Developer elected to submit a Cost Cap, the ISO will calculate the total capital costs by estimating and adding the amount of Excluded Capital Costs for the Developer's proposed Long-Term Transmission Project, including costs of any Long-Term Transmission Upgrades and any Right-Sized Replacement Transmission Facilities, to the amount of Included Capital Costs for the Long-Term Transmission Project that is determined pursuant to Sections 31.6.10.5.1.1 or 31.6.10.5.1.2, as applicable. If the Developer elected not to submit a Cost Cap, the ISO will rely on its independent consultant to estimate the total capital cost of the Developer's Long-Term Transmission Project. For purposes of its calculation of the total capital costs of a Long-Term Transmission Project, the ISO will not estimate and will not add to the Excluded Capital Costs any costs concerning unforeseeable environmental mitigation or remediation costs set forth in Section 31.6.9.5.1.10.2(v), or concerning the financing of the Long-Term Transmission Project set forth in Section 31.6.9.5.1.10.2(iv), including debt costs, AFUDC, and any other financing costs.

31.6.10.5.1.1 If the Developer submits a hard Cost Cap for the Included Capital Costs of its proposed Long-Term Transmission Project, the ISO will use the amount of the Developer's Cost Cap as the amount for Included Capital Costs.

31.6.10.5.1.2 If the Developer submits a soft Cost Cap for the Included Capital Costs of its proposed Long-Term Transmission Project, the ISO will calculate the Included Capital Costs amount for that project as follows. If the Developer's soft Cost Cap for the Included Capital Costs is above the amount estimated by the ISO's independent consultant, the ISO will rely on the Developer's amount for the Included Capital Costs to calculate the total capital cost of the Developer's Long-Term Transmission Project. If the Developer's soft Cost Cap for the Included Capital Costs is below the amount estimated by the ISO's independent consultant, the ISO will calculate an adjusted value for the Included Capital Costs. The ISO will calculate the adjusted value of the Included Capital Costs by: (i) multiplying the difference between (a) the independent consultant's cost estimate for Included Capital Costs and (b) the Developer's Included Capital Costs amount, by (c) the risk percentage assumed by ratepayers, and (ii) adding that amount to the Developer's Included Capital Costs amount. The ISO will use the adjusted value for the Included Capital Costs to estimate the total capital cost of the Developer's Long-Term Transmission Project.

31.6.10.5.2 Qualitative Evaluation of Cost Cap. For purposes of the ISO's evaluation of a proposed Long-Term Transmission Project under the metric in Section 31.6.10.4.3.2, the ISO will evaluate on a qualitative basis a Developer's proposed Cost Cap for Included Capital Costs and assess the proposed project based upon the following criteria:

(i) The effectiveness of the proposed Cost Cap in providing an incentive to the Developer to contain its Included Capital Costs, *i.e.,* how aligned is the

Developer's incentive to maximize its profits by avoiding cost overruns compared to the level of risk exposure to consumers, and what degree of risk is the Developer assuming to pay for cost overruns;

(ii) The effectiveness of the proposed Cost Cap in protecting ratepayers from Included Capital Cost overruns;

(iii) The magnitude of the difference between the Cost Cap and the independent cost estimate as described below;

a. If the Developer's proposed Cost Cap is below the ISO's independent consultant's cost estimate for Included Capital Costs, the ISO will assess how close (*i.e.,* how far below) is the Developer's proposed Cost Cap for Included Capital Costs to the ISO's independent cost estimate, considering the Developer's financial and technical qualifications, and considering the likelihood that the project could be constructed at the Cost Cap amount;

b. If the Developer's proposed Cost Cap is above the ISO's independent consultant's cost estimate for Included Capital Costs, the ISO will assess (a) how close (*i.e.,* how far above) is the Developer's proposed Cost Cap for Included Capital Costs to the ISO's independent cost estimate; (b) whether the Cost Cap is so significantly above the ISO independent consultant's cost estimate that it is unlikely to bind the Developer and provide benefit to ratepayers; and (c) whether the Cost Cap exceeds the ISO's independent cost estimate by only a small amount, such that the Cost Cap could protect ratepayers from cost overruns.

In conducting the evaluation in this Section 31.6.10.5.2, the ISO may request from the Developer additional project information pursuant to Section 31.6.9.3.5 and Developer financial qualification information pursuant to Section 31.6.9.3.6.

31.6.10.6 Evaluation of Viability and Sufficiency of Proposed Other Long-Term Projects

The ISO will determine the viability and sufficiency of an Other Long-Term Project – whether transmission, generation, demand response, or a combination of these resource types – proposed to satisfy a Long-Term Transmission Need. For purposes of its analysis, the ISO will consider: (i) the Developer qualification data provided pursuant to Section 31.6.9.2 and the project information data provided under Section 31.6.9.5; (ii) whether the proposed solution is technically practicable; (iii) the Developer's possession of, or approach for acquiring, any necessary rights-of-way, property, and facilities that will make the proposal reasonably feasible in the required timeframe; and (iv) whether the proposed solution can be completed in the required timeframe, if any. The ISO will evaluate each Other Long-Term Project to determine whether the proposed solution independently satisfies the Long-Term Transmission Need, including any criteria provided by the NYPSC.

31.6.10.7 Evaluation of Long-Term Transmission Projects to Address Local and Regional Long-Term Transmission Needs More Efficiently or More Cost Effectively Than Local Transmission Solutions

The ISO will review the LTPs as they relate to the BPTFs. The ISO will include the results of its analysis in its Long-Term Transmission Planning Report, as approved by the ISO Board.

31.6.10.7.1 Evaluation of Long-Term Transmission Projects to Address Transmission Needs on the BPTFs Identified in Local Transmission Plans with Same Scope as Long-Term Transmission Need More Efficiently or More Cost Effectively than Local Transmission Solutions

The ISO, using engineering judgment, will determine whether any proposed Long-Term Transmission Project on the BPTFs more efficiently or cost-effectively satisfies any transmission need(s) on the BPTFs identified in the LTPs with the same scope as a Long-Term Transmission Need. If the ISO identifies that a Long-Term Transmission Project has the potential to more efficiently or cost effectively satisfy the transmission need identified in the LTPs, it will perform a sensitivity analysis to determine whether the proposed Long-Term Transmission Project on the BPTFs would satisfy the transmission need identified in the LTPs. If the ISO determines that the proposed Long-Term Transmission Project would satisfy the need, the ISO will evaluate the proposed Long-Term Transmission Project using the metrics set forth in Section 31.6.10.4 to determine whether it may be a more efficient or cost-effective solution on the BPTFs to the transmission identified in the LTPs than the local solutions proposed in the LTPs.

31.6.10.7.2 Evaluation of Long-Term Transmission Project to Address Regional Long-Term Transmission Needs More Efficiently or More Cost Effectively than Local Transmission Solutions on the BPTFs

As referenced in Section 31.2.1.3, the ISO, using engineering judgment, will determine whether a Long-Term Transmission Project might more efficiently or more cost effectively satisfy an identified regional Long-Term Transmission Need on the BPTFs that impacts more than one Transmission District than any local transmission solutions on the BPTFs identified by the Transmission Owners in their LTPs in the event the LTPs specify that such transmission solutions are included to address a transmission need(s) on the BPTFs with the same scope of a Long-Term Transmission Need.

31.6.10.8 Consequences for Other Regions

The ISO will coordinate with the ISO/RTO Regions to identify the consequences of a Long-Term Transmission Project on neighboring ISO/RTO Regions using the respective planning criteria of such ISO/RTO Regions. The ISO shall report the results in its Long-Term Transmission Planning Report. The ISO shall not bear the costs of required upgrades in another region.

31.6.10.9 Evaluation of Impact of Proposed Long-Term Transmission Project on ISO Wholesale Electricity Markets

The ISO shall evaluate using the metrics set forth in Section 31.6.10.4.3.10 the impacts on the ISO-administered wholesale electricity markets of a proposed Long-Term Transmission Project. The ISO shall include the results of its analysis in the Long-Term Transmission Planning Report.

31.6.11 ISO Selection of More Efficient or Cost-Effective Transmission Solution and Designation of Designated Long-Term Transmission Projects

31.6.11.1 ISO Selection of More Efficient or Cost-Effective Regulated Long-Term Transmission Project to Satisfy a Long-Term Transmission Need

31.6.11.1.1 The ISO shall identify under this Section 31.6.11 the proposed regulated Long-Term Transmission Project, if any, that is the more efficient or cost-effective transmission solution proposed in the planning cycle for the Long-Term Transmission Planning Process to satisfy a Long-Term Transmission Need. The ISO shall include the more efficient or cost-effective transmission solution in the Long-Term Transmission Planning Report.

31.6.11.1.2 The ISO shall also preliminarily identify in the Long-Term Transmission Planning Report the Designated Long-Term Transmission Project(s) that compose the more efficient or cost-effective Long-Term Transmission Project and shall identify the Designated

Entity that will be responsible for and have the right to build, own, and recover the costs of each Designated Long-Term Transmission Project. The ISO shall finalize the list of Designated Long-Term Transmission Project(s) that compose the selected Long-Term Transmission Project and the Designated Entity responsible for each Designated Long-Term Transmission Project in accordance with Section 31.6.11.2.

31.6.11.1.3 The Designated Entity responsible for a Designated Long-Term Transmission Project or Designated Network Upgrade Facilities designated to the Designated Entity in accordance with Section 22.9.6 of Attachment P to the ISO OATT, if applicable, shall be eligible to recover costs for those facilities only if the underlying Long-Term Transmission Project is selected by the ISO, except as otherwise provided in Section 31.6.9.1.4 or as otherwise determined by the Commission. Costs will be recovered when the Designated Long-Term Transmission Project or Designated Network Upgrade Facilities, as applicable, enter into service, are halted, or as otherwise determined by the Commission in accordance with the cost recovery requirements set forth in Section 31.5.7 of this Attachment Y and Rate Schedule 10 of the ISO OATT. Actual project cost recovery, including any issues related to cost recovery and project cost overruns, will be submitted to and decided by the Commission; *provided, however*, that the Designated Entity shall include in the Development Agreement for its Designated Long-Term Transmission Project in accordance with Section 31.6.12.2 any Cost Cap that it proposed under Section 31.6.9.5.1 and any Voluntary Funding Arrangement that it proposed or committed to use under Section 31.6.9.5.1 and (ii) shall agree in the Development Agreement that it shall not seek to recover through its transmission rates or through any other means: (A) costs for the Included Capital Costs for its Designated Long-Term Transmission Project above its agreed-upon Cost Cap in accordance with Section 6.10.6 of the ISO OATT, except as permitted for excusing conditions in Section 6.10.6.2 of the ISO OATT; and (B) costs that it has committed to recover through a Voluntary Funding Arrangement.

31.6.11.1.4 Any selection of a Long-Term Transmission Project by the ISO under Section 31.6.11.4, including but not limited to the selection of a project that involves the physical modification of facilities within the Long Island Transmission District, shall not affect the obligation and responsibility of the Designated Entity to apply for, and receive, all necessary authorizations or permits required by federal or state law for its Designated Long-Term Transmission Project.

31.6.11.2 Long-Term Transmission Planning Report

31.6.11.2.1 Following the ISO's evaluation of the proposed Long-Term Transmission Projects to address Long-Term Transmission Need(s) and the ISO's viability and sufficiency assessment of the Other Long-Term Projects, the ISO will prepare a draft Long-Term Transmission Planning Report that identifies the information and sources relied upon by the ISO, describes the ISO's assumptions, inputs, methodologies, and states the results of its analyses. The draft Long-Term Transmission Planning Report will reflect input from the NYDPS. The ISO will include in the draft Long-Term Transmission Planning Report a description of any Alternative Transmission Technologies that Developers propose to include as part of their Long-Term Transmission Projects, along with a summary of any Developers' explanations of their determination not to propose Alternative Transmission Technologies as part of their proposed Long-Term Transmission Projects.

31.6.11.2.2 Except as otherwise provided in the confidentiality requirements in Section 31.6.15, the ISO will include in the draft Long-Term Transmission Planning Report: (i) the list of Developers and their proposed Long-Term Transmission Projects and Other Long-Term Projects that qualify pursuant to Sections 31.6.9.2 and 31.6.9.5; (ii) the findings of the Viability and Sufficiency Assessment for the proposed Other Long-Term Projects that the ISO has determined under Section 31.6.10.6 are viable and sufficient to satisfy the identified Long-Term Transmission Need(s); (iii) the list of facilities that the ISO posted pursuant to Section 31.6.9.6; (iv) the total amount of Included Capital Costs and any cost sharing percentage contained in any Cost Cap proposed by a Developer; (v) a description of any Voluntary Funding Arrangement proposed by a Developer; and (vi) the regulated Long-Term Transmission Project, if any, that the ISO staff recommends for selection for cost allocation and cost recovery purposes pursuant to Section 31.6.11.1.1 as the more efficient or cost-effective transmission solution to satisfy each identified Long-Term Transmission Need.

31.6.11.2.3 The draft Long-Term Transmission Planning Report shall include a breakdown of the new transmission facilities, Long-Term Transmission Upgrades, and Right-Sized Replacement Transmission Facilities that compose the regulated Long-Term Transmission Project that the ISO staff recommends for selection. The draft report shall preliminarily identify the Designated Long-Term Transmission Project(s) that compose the recommended Long-Term Transmission Project and the Designated Entity responsible for each Designated Long-Term Transmission Project, which designations will be finalized in accordance with Section 31.6.11.5. A Designated Long-Term Transmission Project will contain all of the facilities that the ISO preliminarily identifies as being designated to a particular Designated Entity. For purposes of this preliminary designation, the Developer that proposed the regulated Long-Term Transmission Project will be identified by the ISO as the Designated Entity for those facilities of its Long-Term Transmission Project that do not meet the definition of either Long-Term Transmission Upgrades or Right-Sized Transmission Replacement Facilities, which facilities shall constitute a

Designated Long-Term Transmission Project. If more than one Developer jointly proposed the regulated Long-Term Transmission Project, then they will collectively be the Designated Entity and jointly and severally responsible for the completion of the Designated Long-Term Transmission Project. If any facilities of the Long-Term Transmission Project meet the definition of either a Long-Term Transmission Upgrade or a Right-Sized Replacement Transmission Facility, the Transmission Owner owning the existing transmission facility(ies) to be upgraded or right-sized will be identified by the ISO as the Designated Entity for the Long-Term Transmission Upgrade(s) or the Right-Sized Replacement Transmission Facility(ies), which Long-Term Transmission Upgrade(s) or Right-Sized Replacement Transmission Facility(ies) shall constitute a separate Designated Long-Term Transmission Project.

31.6.11.2.4 The draft Long-Term Transmission Planning Report shall also indicate the date by which the Long-Term Transmission Project must be in-service to address the Long-Term Transmission Need. The in-service date for the Long-Term Transmission Project shall be: (i) the date prescribed by the NYPSC in its order identifying the Long-Term Transmission Need as described in Section 31.6.8.1 or in a subsequent order, or (ii) if the NYPSC has not prescribed a date, the date proposed by the Developer for its proposed Long-Term Transmission Project and reviewed and accepted by the ISO, which date may be either: (A) the in-service date included in the Developer's project proposal, or (B) such other date accepted by the ISO as reasonable in light of the Long-Term Transmission Need. The in-service date for the selected Long-Term Transmission Project shall apply to all Designated Long-Term Transmission Projects that compose the selected Long-Term Transmission Project regardless of the Designated Entity; *provided, however*, the draft Long-Term Transmission Planning Report may also include specific dates by which one or more of the Designated Long-Term Transmission Projects must be in service in order for the selected Long-Term Transmission Project to meet the overall in-service date.

31.6.11.2.5 The draft Long-Term Transmission Planning Report will also include the results of the ISO's analysis of the LTPs consistent with Section 31.6.10.7.

31.6.11.3 Collaborative Governance Process

The draft Long-Term Transmission Planning Report shall be submitted to both TPAS and the ESPWG for review and comment. Concurrently, the draft report will be provided to the Market Monitoring Unit for its review and consideration of the impacts on the ISO-administered wholesale markets of the Long-Term Transmission Project recommended for selection. The Market Monitoring Unit will provide the results of its review to the Management Committee prior to the Management Committee's advisory vote. The ISO shall make available to any interested party reasonable information to replicate the results of the draft Long-Term Transmission Planning Report. The information made available will be electronically masked and made available pursuant to a process that the ISO reasonably determines is necessary to prevent the disclosure of any Confidential Information or Critical Energy Infrastructure Information contained in the information made available. Following completion of that review, the draft report reflecting the revisions resulting from the TPAS and the ESPWG review shall be forwarded to the Business Issues Committee and the Management Committee for discussion and an advisory vote.

31.6.11.4 Board Review, Consideration, and Approval of Long-Term Transmission Planning Report

Following the Management Committee vote, the draft Long-Term Transmission Planning Report, with Business Issues Committee and Management Committee input, will be forwarded to the ISO Board for review and action. Concurrently, the Market Monitoring Unit will provide the results of its review performed pursuant to Section 31.6.11.3 to the Board. The Board may approve the Long-Term Transmission Planning Report as submitted or propose modifications on its own motion, including a determination not to select a Long-Term Transmission Project to satisfy a Long-Term Transmission Need. If any changes are proposed by the Board, the revised report shall be returned to the Management Committee for comment. The Board shall not make a final determination on a revised report until it has reviewed the Management Committee comments, including comments regarding the Market Monitoring Unit's review. Upon approval by the Board, the ISO shall issue the report to the marketplace by posting it on its website. If the ISO Board determines not to select a Long-Term Transmission Project under this Section 31.6.11.4, the Board shall state the reasons for its determination.

The responsibilities of the Market Monitoring Unit that are addressed in the above Section of Attachment Y to the ISO OATT are also addressed in Section 30.4.6.8.7 of the Market Monitoring Plan, Attachment O to the ISO Services Tariff.

31.6.11.5 Transmission Owner's Responsibility to Notify the ISO

Within 30 calendar days following the posting of a Long-Term Transmission Planning Report approved by the ISO Board that selects a regulated Long-Term Transmission Project pursuant to Section 31.6.11.4, a Transmission Owner that has been identified as a Designated Entity for a Designated Long-Term Transmission Project that contains Long-Term Transmission Upgrades or Right-Sized Replacement Transmission Facilities proposed by another Developer shall provide notice to the ISO if the Transmission Owner does not intend: (A)(i) to exercise the right under Section 31.1.10.4 of this Attachment Y to build, own, and recover the cost of the Long-Term Transmission Upgrades or (ii) to build, own, and recover the costs of the Right-Sized

Replacement Transmission Facilities and (B) to serve as the Designated Entity for the Designated Long-Term Transmission Project identified for the Transmission Owner in the Long-Term Transmission Planning Report. If the Transmission Owner notifies the ISO of its rejection to be the Designated Entity for one or more Long-Term Transmission Upgrades or Right-Sized Replacement Transmission Facilities identified for its Designated Long-Term Transmission Project, the Developer that proposed the Long-Term Transmission Project shall be the Designated Entity for such Long-Term Transmission Upgrades or Right-Sized Replacement Transmission Facilities, which shall be incorporated into the Developer's Designated Long-Term Transmission Project. If the Transmission Owner does not take action within the 30 calendar days with regard to one or more Long-Term Transmission Upgrades or Right-Sized Replacement Transmission Facilities identified for its Designated Long-Term Transmission Project, the Transmission Owner shall be the Designated Entity concerning such Long-Term Transmission Upgrade(s) or Right-Sized Replacement Transmission Facility(ies) and shall be responsible for constructing and placing the Long-Term Transmission Upgrades or Right-Sized Replacement Transmission Facilities in service by the in-service date for the Designated Long-Term Transmission Project identified in the Long-Term Transmission Planning Report.

The ISO shall post on its website a list of the Designated Entities and associated Designated Long-Term Transmission Projects identified in the final Long-Term Transmission Planning Report at the conclusion of the notification period. Within 30 calendar days of the ISO's posting of the final list on its website, a Designated Entity that is not the Developer that proposed the selected Long-Term Transmission Project shall: (i) execute a study agreement with the ISO in the form set forth in Section 31.16 (Appendix M) of this Attachment Y for purposes of the ISO's development of the Development Agreement and its appendices for the Designated

Long-Term Transmission Project that constitutes the selected Long-Term Transmission Project, or a portion of that project, pursuant to Section 31.6.12.2, and (ii) submit to the ISO: (A) a non-refundable application fee of $10,000, and (B) a deposit of $50,000, which shall be applied to the study and administrative costs and subject to refund as described in Section 31.6.9.4. The invoice and deposit requirements established in Section 31.6.9.4 shall apply to these deposit and payment requirements.

31.6.11.6 Cost and Benefit Breakdown of Selected Long-Term Transmission Project

Following the later in time of: (i) the expiration of the deadlines set forth in Section 31.5.6.4 of this Attachment Y by which the NYPSC or a Designated Entity may propose an alternative cost allocation methodology for a Long-Term Transmission Project or Designated Long-Term Transmission Project if an alternative methodology is not proposed during that period, or (ii) if one or more alternative methodologies are proposed pursuant to Section 31.5.6.4, the Commission's final determination concerning the proposed alternative cost allocation methodology or methodologies, the ISO shall post on its website a breakdown of how the estimated costs that the ISO used in the selection of the Long-Term Transmission Project will be allocated by Load Zone and a quantification of those estimated benefits, as such benefits can be reasonably estimated or allocated.

31.6.12 Designated Entity's Responsibilities Following Selection of a Long-Term Transmission Project

31.6.12.1 Designated Entity's Responsibility to Obtain Necessary Approvals and Authorizations

Upon the ISO's posting of a list of Designated Entities and Designated Long-Term Transmission Projects pursuant to Section 31.6.11.5 or following the expiration of the deadline for a Transmission Owner to decline to be a Designated Entity for Designated Network Upgrade Facilities in accordance with Section 22.9.6 of Attachment P to the ISO OATT, the ISO will inform each Designated Entity that it should submit its Designated Long-Term Transmission Project and/or Designated Network Upgrade Facilities to the appropriate governmental agency(ies) and/or authority(ies) to begin the necessary approval process to site, construct, and operate the facilities. In response to the ISO's request, the Designated Entity shall make such a submission to the appropriate governmental agency(ies) and/or authority(ies) to the extent such authorization has not already been requested or obtained.

If the appropriate federal, state or local agency(ies) either rejects a necessary authorization, or approves and later withdraws authorization, for the Designated Long-Term Transmission Project or Designated Network Upgrade Facilities, the Designated Entity may recover all of the necessary and reasonable costs incurred and commitments made up to the final federal, state or local regulatory decision, including reasonable and necessary expenses incurred to implement an orderly termination of the project, to the extent permitted by the Commission in accordance with its regulations on abandoned plant recovery. The ISO shall allocate these costs among Load Serving Entities in accordance with Section 31.5.6.4.3, except as otherwise determined by the Commission. The ISO shall recover such costs in accordance with Section 31.5.7 of this Attachment Y and Rate Schedule 10 of the ISO OATT.

When the Designated Entity is a Transmission Owner, the Developer that proposed the Long-Term Transmission Project is not required to provide any additional information or resources other than the information that Developer has provided in its project proposal that is not Confidential Information in accordance with Sections 31.6.9.3.3 and 31.6.15.

31.6.12.2 Development Agreement

As soon as reasonably practicable following the ISO's posting of a list of Designated Entities and Designated Long-Term Transmission Projects pursuant to Section 31.6.11.5 or the expiration of the deadline for a Transmission Owner to decline to be a Designated Entity for Designated Network Upgrade Facilities in accordance with Section 22.9.6 of Attachment P to the ISO OATT, the ISO shall tender to each Designated Entity of a Designated Long-Term Transmission Project and/or Designated Network Upgrade Facilities a draft Development Agreement, or draft amended Development Agreement, with draft appendices completed by the ISO to the extent practicable for review and completion by the Designated Entity. The draft Development Agreement shall be in the form of the ISO's Commission-approved Development Agreement, which is in Appendix F in Section 31.9 of this Attachment Y. Each Designated Entity will receive a separate draft Development Agreement. If the Designated Entity: (i) is the Developer that originally submitted the Long-Term Transmission Project selected by the ISO and proposed a Cost Cap and/or a Voluntary Funding Arrangement for its project or (ii) is a Transmission Owner that committed to use a Voluntary Funding Arrangement for its designated component of a selected Long-Term Transmission Project that was submitted by another Developer, its Development Agreement for its Designated Long-Term Transmission Project shall contain the Cost Cap and/or the Voluntary Funding Arrangement that it proposed or committed to use.

The ISO and each Designated Entity, as applicable, shall finalize a Development Agreement and appendices and negotiate concerning any disputed provisions. For purposes of finalizing the Development Agreement, the ISO and Designated Entity shall develop the description and dates for the milestones necessary to develop and construct the Designated Long-Term Transmission Project by the required in-service date for the Designated Long-Term

Transmission Project identified in the Long-Term Transmission Planning Report, including the milestones for obtaining all necessary authorizations, and in coordination with the Designated Entities for other Designated Long-Term Transmission Projects for the selected Long-Term Transmission Project to the extent feasible. The ISO and Designated Entity shall also develop, as applicable, the description and date for the milestones necessary to develop and construct Designated Network Upgrade Facilities designated to the Designated Entity pursuant to Section 22.9.6 of Attachment P to the ISO OATT by the Project Required In-Service Date identified in the Long-Term Transmission Planning Report, including the milestones for obtaining all necessary authorizations, and in coordination with the Designated Entities for other Designated Long-Term Transmission Projects for the selected Long-Term Transmission Project to the extent feasible. Any milestone that requires action by another Designated Entity or a Connecting Transmission Owner or Affected System Operator identified pursuant to Attachment P of the ISO OATT to complete must be included as an Advisory Milestone, as that term is defined in the Development Agreement.

Unless otherwise agreed by the ISO and the Designated Entity, the Designated Entity must execute the Development Agreement within three (3) months of the ISO's tendering of the draft Development Agreement; *provided, however*, if, during the negotiation period, the ISO or the Designated Entity determines that negotiations are at an impasse, the ISO may file the Development Agreement in unexecuted form with the Commission on its own or following the Designated Entity's request in writing that the agreement be filed unexecuted. If the Development Agreement resulting from the negotiation between the ISO and the Designated Entity does not conform with the Commission-approved standard form in Appendix F in Section 31.9 of this Attachment Y, the ISO shall file the agreement with the Commission for its acceptance within thirty (30) business days after the execution of the Development Agreement by both parties. If the Designated Entity requests that the Development Agreement be filed unexecuted, the ISO shall file the agreement at the Commission within thirty (30) business days of receipt of the request from the Designated Entity. The ISO will draft to the extent practicable the portions of the Development Agreement and appendices that are in dispute and will provide an explanation to the Commission of any matters as to which the parties disagree. The Designated Entity will provide in a separate filing any comments that it has on the unexecuted agreement, including any alternative positions it may have with respect to the disputed provisions. Upon the ISO's and the Designated Entity's execution of the Development Agreement or the ISO's filing of an unexecuted Development Agreement with the Commission, the ISO and the Designated Entity shall perform their respective obligations in accordance with the terms of the Development Agreement that are not in dispute, subject to modification by the Commission. The Connecting Transmission Owner(s) and Affected System Operator(s) that are identified in Attachment P of the ISO OATT in connection with the Designated Long-Term Transmission Project shall act in good faith in timely performing their obligations that are required for the Designated Entity to satisfy its obligations under the Development Agreement.

31.6.12.3 Execution of ISO/TO Agreement or Comparable Agreement

The Designated Entity of a Designated Long-Term Transmission Project of a selected Long-Term Transmission Project shall execute the ISO/TO Agreement or an Operating Agreement in accordance with Section 31.1.7 of this Attachment Y prior to energizing the Designated Long-Term Transmission Project.

31.6.12.4 Monitoring of Designated Long-Term Transmission Projects

31.6.12.4.1 The ISO shall monitor the Designated Long-Term Transmission Projects and associated Network Upgrade Facilities, if applicable, to confirm that they continue to develop consistent with the conditions, actions, or schedules for the projects. As part of this monitoring, the ISO will track the cost and schedule of the Designated Long-Term Transmission Project(s) and associated Network Upgrade Facilities in accordance with ISO Procedures for purposes of the ISO's Reevaluation Process pursuant to Section 31.6.13. The Designated Entity shall provide the ISO with the information required by the ISO to monitor its project pursuant to this Section 31.6.12.4 and shall be responsible for providing updates to the cost estimates for its Designated Long-Term Transmission Project and associated Network Upgrade Facilities within 60 calendar days of the ISO's request. If an entity other than a Designated Entity is responsible for Network Upgrade Facilities associated with the selected Long-Term Transmission Project pursuant to Attachment P of the ISO OATT ("NUF Responsible Party"), the NUF Responsible Party shall provide the ISO with the information required by this Section 31.6.12.4.

31.6.12.4.2 The Designated Entity of a Designated Long-Term Transmission Project and/or associated Network Upgrade Facilities or the NUF Responsible Party for associated Network Upgrade Facilities, as applicable, shall present updates to stakeholders at an ESPWG meeting on a recurring basis established by this Section 31.6.12.4.2 concerning the status of the development of its project, including, if applicable, any changes to project information included in the final Long-Term Transmission Planning Report. The Designated Entity or the NUF Responsible Party, as applicable, shall present updates concerning its project to stakeholders at least once every six months. The ISO will coordinate with, as applicable, the Designated Entity or the NUF Responsible Party to schedule its update presentations, including the commencement of the presentations following, as applicable, the selection of the Long-Term Transmission

Project that includes its Designated Long-Term Transmission Project or the completion of the Facilities Study pursuant to Attachment P of the OATT for its associated Network Upgrade Facilities. The Designated Entity or NUF Responsible Party shall not be required to provide further update presentations once its Designated Long-Term Transmission Project or its associated Network Upgrade Facilities, as applicable, commence service.

31.6.12.5 Posting of Approved Solutions

The ISO shall post on its website a list of all entities that have accepted the terms and conditions of, as applicable, an Article VII or Article VIII certificate under the New York Public Service Law, or any successor statute, or any other applicable permits to build a Designated Long-Term Transmission Project in response to a Long-Term Transmission Need.

31.6.13 Reevaluation Process for a Selected Long-Term Transmission Project

31.6.13.1 The ISO shall perform a Reevaluation Process pursuant to Section 31.6.13.2 for a Long-Term Transmission Project selected by the ISO pursuant to Section 31.6.11 if, prior to the start date of a subsequent Long-Term Transmission Planning Process cycle:

(i) the ISO determines, as further detailed in ISO Procedures, that the actual or projected costs for all of the Designated Long-Term Transmission Projects that constitute the Long-Term Transmission Project selected by the ISO, including any associated Network Upgrade Facilities identified in accordance with Attachment P of the ISO OATT, significantly exceed the cost estimates used in the selection of that Long-Term Transmission Project, including the cost estimates of the associated Network Upgrade Facilities; or

(ii) (A) the ISO becomes aware of significant changes in federal, Federally-Recognized Tribal, state, or local laws or regulations that cause reasonable concern that the previously selected Long-Term Transmission Project may no longer meet the ISO's selection criteria, and

(B) the in-service date that the Developer proposed for its Long-Term Transmission Project in the Long-Term Transmission Selection Process in which the project was selected was in the second half of the 20-year Study Period for that planning cycle.

31.6.13.1.1 For purposes of Section 31.6.13.1(i), the ISO will determine that the actual or projected costs of a Long-Term Transmission Project significantly exceed the cost estimates for that project if the actual or projected costs exceed the expected upper accuracy range of the estimated cost used by the ISO in the selection of the Long-Term Transmission Project.

31.6.13.1.2 Notwithstanding Section 31.6.13.1, the ISO shall not commence a Reevaluation Process for a previously selected Long-Term Transmission Project if one or more of the Designated Entities described in this Section 31.6.13.1.2 demonstrates to the ISO prior to the start date of the Long-Term Transmission Planning Process cycle that either: (A) it has received any required Article VII or Article VIII, as applicable, certificate(s) under the New York Public Service Law or any successor statute for its Designated Long-Term Transmission Project or (B) if an Article VII or Article VIII is not required for a Designated Long-Term Transmission Project, it has procured major equipment. For purposes of this Section 31.6.13.1.2, the applicable Designated Entities are: (i) the Designated Entity that is the Developer that proposed the selected Long-Term Transmission Project, and (ii) any other Designated Entity of a Designated Long-Term Transmission Project that constitutes 20% or more of the cost estimate of the selected Long Term Transmission Project used by the ISO in its selection process.

31.6.13.1.3 If the ISO determines pursuant to Section 31.6.13.1 that a Reevaluation Process is required for a Long-Term Transmission Project because the actual or projected costs of the project and associated Network Upgrade Facilities significantly exceed their cost estimates, each Designated Entity and/or NUF Responsible Party of a project component for the selected Long-Term Transmission Project and any associated Network Upgrade Facilities shall present at an ESPWG meeting the updated cost estimates for its project component and describe the grounds for any increase in their project costs.

31.6.13.2 Reevaluation Process

31.6.13.2.1 If the ISO determines that it is required to commence a Reevaluation Process pursuant to Section 31.6.13.1, the ISO: (i) will notify all of the Designated Entities of the Designated Long-Term Transmission Projects that make up the Long-Term Transmission Project subject to the Reevaluation Process, along with any NUF Responsible Parties responsible for associated Network Upgrade Facilities and (ii) will post a notice of the Reevaluation Process on its website. The ISO will perform any Reevaluation Process required pursuant to Section 31.6.13.1 in parallel with its performance of the Outlook for the Long-Term Transmission Planning Process cycle that commences after the ISO's determination of the need for the re-evaluation. The Designated Entity or Designated Entities of the Designated Long-Term Transmission Project(s) that constitute the selected Long-Term Transmission Project that is subject to re-evaluation and any other NUF Responsible Parties responsible for associated Network Upgrade Facilities shall provide the ISO, upon the ISO's request, with the information required for the ISO to perform the re-evaluation.

31.6.13.2.2 The ISO will perform the reevaluation using some or all of the Long-Term Scenarios developed for the Outlook that is being performed in parallel with the Reevaluation Process and may use additional scenarios and sensitivities developed by the ISO consistent with the requirements in Section 31.6.5.2. The ISO will establish an updated cost estimate of the Long-Term Transmission Project and any associated Network Upgrade Facilities and will evaluate the Long-Term Transmission Project consistent with the selection metric requirements in Sections 31.6.10.3 and 31.6.10.4. The ISO may engage an independent consultant to review the reasonableness and comprehensiveness of the information submitted by the Designated Entity(ies) and NUF Responsible Party(ies) and may rely on the independent consultant's analysis in evaluating each metric.

31.6.13.2.3 For purposes of the reevaluation, the ISO will consider the extent to which proceeding with the Long-Term Transmission Project, or portions of the project, maximize benefits accounting for the updated cost estimates determined pursuant to Section 31.6.13.2.2 without over-building transmission facilities. In making this determination, the ISO may consider: (i) the benefits of the Long-Term Transmission Project, or portion of the project, accounting for any changes in costs, including any Cost Cap or Voluntary Funding Arrangement, sunk costs, and the advancement of construction activities; (ii) the causes of any cost increases to the Long-Term Transmission Project that resulted in the reevaluation; (iii) the status of the Designated Long-Term Transmission Project(s) obtaining any required Article VII or VIII certifications; (iv) the extent to which the Designated Long-Term Transmission Project and any associated Network Upgrade Facilities have commenced or completed construction; (v) the impact of the Long-Term Transmission Project, or portions of the project, on the reliability and operations of the New York State Transmission System; (vi) whether the Long-Term Transmission Project, or portions of the project, include Right-Sized Replacement Transmission Facilities that replace In-Kind Replacement Transmission Facilities that were intended to address transmission or distribution needs; and (vii) the impact of the Long-Term Transmission Project, or portions of the project, on the ISO's transmission planning and transmission expansion and interconnection processes.

31.6.13.2.4 Following the ISO's performance of its analysis for the Reevaluation Process, the ISO will prepare a draft written summary concerning the re-evaluation of the Long-Term Transmission Project. The summary will describe the ISO's analysis under the Reevaluation Process; any actions that the ISO recommends concerning the Long-Term Transmission Project, or portions of the project, pursuant to Section 31.6.14; and the ISO's grounds for any recommendation action. The ISO will provide the draft summary to the NYDPS and the ESPWG with an opportunity for review and comment and shall consider any comments. The ISO Board must approve any actions recommended by the ISO through the Reevaluation Process to modify or terminate the Long-Term Transmission Project, or portions of the project, pursuant to Section 31.6.14, including any modifications to the Designated Entity responsible for a Designated Long-Term Transmission Project that is part of the Long-Term Transmission Project. The ISO will finalize and publish the summary on its website. Any Designated Entity(ies) and NUF Responsible Party(ies) which Designated Long-Term Transmission Project or associated Network Upgrade Facilities are impacted by the ISO's determination in the Reevaluation Process shall cooperate with the ISO in making any necessary amendments to, as applicable, their Development Agreement or their interconnection or construction agreement for Network Upgrade Facilities entered into pursuant to Attachment P of the ISO OATT to implement the results of the Reevaluation Process.

31.6.14 Process for Addressing Outcome of the ISO's Reevaluation of a Long-Term Transmission Project or the Inability of Designated Entity to Complete Designated Long-Term Transmission Project

31.6.14.1 The ISO may take the actions described in Sections 31.6.14.3 through 31.6.14.5: (A) as part of its determination on the reevaluation of a selected Long-Term Transmission Project pursuant to Section 31.6.13 or (B) as soon as practicable if one of the following events occur: (i) a Designated Entity that is required to execute the Development Agreement for its Designated Long-Term Transmission Project pursuant to Section 31.6.12.2 does not execute the Development Agreement, or does not request that it be filed unexecuted with the Commission, within the timeframes set forth in Section 31.6.12.2, or (ii) the ISO determines that an effective Development Agreement for a Designated Long-Term Transmission Project may be terminated or terminates the Development Agreement under the terms of the agreement prior to the completion of the term of the agreement.

31.6.14.2 If the Development Agreement has been filed with and accepted by the Commission and is terminated under the terms of the agreement, the ISO shall, upon terminating the Development Agreement file a notice of termination with the Commission.

31.6.14.3 The ISO may take one or more of the following actions to address a Long-Term Transmission Need based on the particular circumstances: (i) terminate one or more of the Designated Long-Term Transmission Projects that constitute the selected Long-Term Transmission Project; (ii) direct the Designated Entity or Designated Entities to continue with the development of one or more of the Designated Long-Term Transmission Projects, including for completion beyond the in-service date required to address the Long-Term Transmission Need; (iii) solicit bids from qualified Developers to complete the Designated Long-Term Transmission Project in accordance with Section 31.6.14.4; or (iv) offer the Developer that originally submitted the Long-Term Transmission Project the opportunity to be the Designated Entity of the Designated Long-Term Transmission Project in accordance with Section 31.6.14.5.

31.6.14.3.1 For purposes of its determination pursuant to Section 31.6.14.3 to permit a Designated Entity to continue with its Designated Long-Term Transmission Project, the ISO may require the use of a mitigation plan proposed by a Designated Entity or identified by the ISO to alleviate the grounds that resulted in the reevaluation of its project or that may result in the termination of a Development Agreement. In such case, the ISO and Designated Entity shall include the requirements concerning the mitigation plan in the Development Agreement for the Designated Long-Term Transmission Project, including amending the Development Agreement if required.

31.6.14.4 If the ISO determines in accordance with Section 31.6.14.3 that an alternative Developer should be designated to complete a Designated Long-Term Transmission Project and the original Developer that proposed the Long-Term Transmission Project rejects the offer to be designated to complete the Designated Long-Term Transmission Project pursuant to Section 31.6.14.5, the ISO shall solicit bids from Developers to finance and complete the development and construction of the Designated Long-Term Transmission Project to bring it into service. Any Developer that is qualified at the time of the ISO's solicitation to propose a Long-Term Transmission Project may submit a proposal to complete the Designated Long-Term Transmission Project. The ISO will specify in its solicitation for bids by Developers those categories of project information described in Section 31.6.9.5.1 that the Developer must submit and will identify the metrics in Section 31.6.10.4 that the ISO will use to select among the bidding Developers. The ISO will determine the appropriate project information and metrics based on the current status of development of the Designated Long-Term Transmission Project. The ISO will make any selection of an alternative Developer using the selection metrics identified in its solicitation for bids and consistent with the selection processes set forth in Sections 31.6.10.4 and 31.6.11, including issuing an updated Long-Term Transmission Planning Report. The ISO shall charge, and a Developer bidding for the Designated Long-Term Transmission Project shall pay, the actual costs of the ISO's evaluation of its bid for purposes of selecting a Developer to complete the project consistent with Section 31.6.9.4. Each bidding Developer will reimburse the ISO for its actual study costs consistent with the requirements in Section 31.6.9.4. The selected alternative Designated Entity must enter into a Development Agreement for the Designated Long-Term Transmission Project with the ISO in accordance with the requirements in Section 31.6.12.2. The selected alternative Designated Entity will be eligible for cost allocation and cost recovery under the ISO OATT for its development and construction of the Designated Long-Term Transmission Project. The selected alternative Designated Entity and the Designated Entity that the ISO initially identified to be responsible for the Designated Long-Term Transmission Project shall work cooperatively with each other to implement the transition, including negotiating in good faith with each other to transfer the project; *provided, however*, that the transfer is subject to: (i) any required approvals by the appropriate governmental agency(ies) and/or authority(ies), (ii) any requirements or restrictions on the transfer of Developer's rights-of-way under federal or state law, regulation, or contract (including mortgage trust indentures or debt instruments), and (iii) if the Developer is a New York public authority, any requirements or restrictions on the transfer under the New York Public Authorities Law; *provided, further*, that the selected alternative Designated Entity and the initial Designated Entity will address any disputes regarding the transfer of the project in accordance with the dispute resolution provisions set forth in Section 2.16 of the ISO OATT and Section 11 of the ISO Services Tariff.

31.6.14.5 If the ISO determines in accordance with Section 31.6.14.3 that an alternative Developer should be designated to complete a Designated Long-Term Transmission Project that was initially designated to the owner of the impacted transmission facility, the ISO shall first offer the Developer that originally proposed the Long-Term Transmission Project the opportunity to be the Designated Entity of that Designated Long-Term Transmission Project to finance and complete the development and construction of the project to bring it into service. The alternative Designated Entity shall have 30 calendar days from the ISO tendering its offer to accept the Designated Long-Term Transmission Project. Thereupon, the alternative Designated Entity must enter into a Development Agreement or amend an existing Development Agreement with the ISO related to fulfillment of the same Long-Term Transmission Need in accordance with the requirements in Section 31.6.12.2. The alternative Designated Entity will be eligible for cost allocation and cost recovery under the ISO OATT for its development and construction of the Designated Long-Term Transmission

Project. The alternative Designated Entity and the original Designated Entity of the Designated Long-Term Transmission Project shall work cooperatively with each other to implement the transition, including negotiating in good faith with each other to transfer the project; *provided, however*, that the transfer is subject to: (i) any required approvals by the appropriate governmental agency(ies) and/or authority(ies), (ii) any requirements or restrictions on the transfer of rights-of-way under federal or state law, regulation, or contract (including mortgage trust indentures or debt instruments), and (iii) if the original Designated Entity of the Designated Long-Term Transmission Project is a New York public authority, any requirements or restrictions on the transfer under the New York Public Authorities Law; *provided, further*, that the alternative Designated Entity and the original Designated Entity of the Designated Long-Term Transmission Project will address any disputes regarding the transfer of the project in accordance with the dispute resolution provisions set forth in Section 2.16 of the ISO OATT and Section 11 of the ISO Services Tariff.

31.6.14.6 If the ISO elects: (i) to terminate a Designated Entity's Designated Long-Term Transmission Project as part of the Reevaluation Process or (ii) to terminate the Development Agreement for a Designated Entity's Designated Long-Term Transmission Project because another Designated Entity defaulted on the development of a separate Designated Long-Term Transmission Project that is a component of the same selected Long-Term Transmission Project, the Designated Entity may recover all of the necessary and reasonable costs incurred and commitments made up to the, as applicable, the ISO's publication of its final summary of the Reevaluation Process specifying the termination of the Designated Long-Term Transmission Project or its notice of termination of the Development Agreement from the ISO, including reasonable and necessary expenses incurred to implement an orderly termination of the project, to the extent permitted by the Commission in accordance with its regulations on abandoned plant recovery. The ISO shall allocate these costs among Load Serving Entities in accordance with Section 31.5.6.4.3, except as otherwise determined by the Commission. The ISO shall recover such costs in accordance with Section 31.5.7 of this Attachment Y and Rate Schedule 10 of the ISO OATT.

31.6.15 Confidentiality of Solutions

31.6.15.1 The ISO shall treat Confidential Information, as defined in Section 31.6.15.2, that is submitted by the Developer of a proposed Long-Term Transmission Project or Other Long-Term Project to the ISO consistent with the requirements in Section 31.6.9.3.3 in accordance with the requirements for the treatment of Confidential Information in Section 12.4 of its Code of Conduct in Attachment F of the ISO OATT. The ISO shall treat Critical Energy Infrastructure Information submitted to the ISO by the Developer of a proposed Long-Term Transmission Project in accordance with ISO Procedures.

31.6.15.2 For purposes of this Section 31.6, the term “Confidential Information” shall only include the following non-public information submitted by the Developer and labeled as Confidential Information as part of its submission to satisfy its Developer qualification requirements pursuant to Section 31.6.9.2 or part of its submission of the project information requirements described in Section

31.6.9.5 for its Long-Term Transmission Project or Other Long-Term Project to satisfy its project information requirements pursuant to Sections 31.6.9.3.2 and 31.6.9.3.5: (i) all project cost information; (ii) all details of the Developer's financing arrangements; (iii) any non-public financial qualification information submitted pursuant to Section 31.6.9.2.1.2; (iv) any contracts provided under Sections 31.6.9.5.1.4 or 31.6.9.5.2.2; and (v) the information and documents provided by the Developer for a Voluntary Funding Arrangement pursuant to Section 31.6.9.5.1.9; *provided, however*, that the following information included in the draft Long-Term Transmission Planning Report pursuant to Section 31.6.11.2 shall, upon the posting of the draft report, not be treated or designated as Confidential Information for purposes of this Section 31.6 and Attachment F of the ISO OATT: (A) the total amount of Included Capital Costs and any cost sharing percentage contained in any Cost Cap proposed by a Developer and (B) the type and total funding amount of a Voluntary Funding Arrangement, the Funding Entity for that arrangement, and the transmission facilities that are part of the Long-Term Transmission Project that will be subject to the Voluntary Funding Arrangement.

31.6.15.3 All other project information submitted by a Developer of a Long-Term Transmission Project or an Other Long-Term Project shall not be treated or designated as Confidential Information for purposes of this Section 31.6 and Attachment F of the ISO OATT.

31.6.15.4 Regardless of whether the information is requested pursuant to Section 31.6.9.3.11, the ISO may disclose any information submitted by the Developer that is not Confidential Information, as defined in this Section 31.6.15, to the extent required to administer its Long-Term Transmission Planning Process or interconnection process, including, but not limited to, using such information in its Long-Term Transmission Planning Report.

~~**31.6.1 The Commission's Role in Dispute Resolution**~~

~~Disputes directly relating to the ISO's compliance with its tariffs that are not resolved in the internal ISO collaborative governance appeals process or ISO dispute resolution process, and all disputes relating to matters that fall within the exclusive jurisdiction of the Commission, shall be reviewed at the Commission pursuant to the Federal Power Act if such review is sought by any party to the dispute. The NYPSC or any party to a dispute regarding matters over which both the NYPSC and the Commission have jurisdiction and responsibility for action may submit a request to the Commission for a joint or concurrent hearing to resolve the dispute.~~

~~**31.6.2 Non-Jurisdictional Entities**~~

~~LIPA's and NYPA's participation in the CSPP shall in no way be considered to be a waiver of their non-jurisdictional status pursuant to Section 201(f) of the Federal Power Act, including with respect to the Commission's exercise of the Federal Power Act's general ratemaking authority.~~

~~**31.6.3 Tax Exempt Financing Provisions**~~

~~Con Edison, NYPA and LIPA shall not be required to construct, or cause to construct, a transmission facility identified through the Reliability Planning Process if such construction would result in the loss of tax-exempt status of any tax-exempt bond issued by Con Edison, NYPA or LIPA, or impair their ability to secure future tax-exempt financing.~~

~~31.6.4 Rights of Transmission Owners~~

~~Nothing in this Attachment Y affects the right of a Transmission Owner to: (1) build, own, and recover the costs for upgrades to the facilities it owns, provided that nothing in Attachment Y affects a Transmission Owner's right to recover the costs of upgrades to its facilities except if the upgrade has been selected in the regional transmission plan for purposes of cost allocation, in which case the regional cost allocation method set forth in Attachment Y of the ISO OATT applies, unless the Transmission Owner has declined to pursue regional cost allocation; (2) retain, modify, or transfer rights-of-way subject to relevant law or regulation granting such rights-of-way; or (3) develop a local transmission solution that is not eligible for regional cost allocation to meet its reliability needs or service obligations in its Transmission District or footprint, as applicable. For purposes of Section 31.6.4, the term "upgrade" shall refer to an improvement to, addition to, or replacement of a part of, an existing transmission facility and shall not refer to an entirely new transmission facility.~~

~~31.6.5 Notice of Reliability Requirements~~

~~The Developer of a project selected pursuant to the provisions in this Attachment Y is hereby notified that it must comply with all applicable reliability criteria, policies, standards, rules, regulations, and other requirements of NERC, NPCC, NYSRC, Transmission Owners, and any other applicable reliability entities or their successors, to the extent required by, and in accordance with, their procedures.~~