

Attachment XIII

31.6.9 Long-Term Transmission Selection Process

~~31.4.3~~ 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 ~~request proposed Public Policy Transmission Projects, including Interregional Transmission Projects, to satisfy each Public Policy Transmission Need identified pursuant to Sections 31.4.2.1 through 31.4.2.3. An Interregional Transmission Project shall be: (i) evaluated in accordance with the applicable requirements of the Public Policy Transmission Planning Process of this Attachment V, and (ii) jointly evaluated by the ISO and the relevant adjacent transmission planning region(s) in accordance with Section 7.3 of the Interregional Planning Protocol. The ISO shall also accept specific proposed Other Public Policy Projects to satisfy a Public Policy Transmission Need identified pursuant to Sections 31.4.2.1 through 31.4.2.3.~~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.

~~31.4.3.1~~ ~~ISO Request for Proposed Solutions~~

~~Following posting of a determination~~31.6.9.1.3 In accordance with the schedule established pursuant to ~~Sections 31.4.2.1 through 31.4.2.3~~Section 31.6.9.1.1, the ISO will request that Developers propose specific solutions, whether ~~Public Policy~~Long-Term Transmission Project(s) or Other ~~Public Policy~~Long-Term Project(s), to satisfy each identified ~~Public Policy~~Long-Term Transmission Need in accordance with the requirements set forth in Section ~~31.4.4.3. Any proposed transmission needs that are under appeal pursuant to Section 31.4.2.2 or Section 31.4.2.3(vi) may be addressed with~~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,~~if required, except where the NYPSC to address the Long-Term Transmission Need, unless the NYPSC's order has been stayed pending the resolution of that appeal~~by a court of competent jurisdiction.

~~31.4.3.2~~31.6.9.1.4 ~~NYPSC and LIPA Requests~~Request for Solutions

~~To ensure that there will be a~~In response to a ~~Public Policy~~Long-Term Transmission Need, the NYPSC may request the appropriate Transmission Owner(s) or Other Developer, as

identified by the NYPSC, to propose a ~~Public Policy~~Long-Term Transmission ~~Project. With respect to a transmission need identified by the Long Island Power Authority and determined to be a Public Policy Transmission Need by the NYPSC pursuant to Section 31.4.2.3, the Long Island Power Authority's Board of Trustees may request that an appropriate Transmission Owner(s) or Other Developer propose a Public Policy Transmission Project or Other Public Policy~~Project. A request for the provision of a ~~Public Policy~~Long-Term Transmission Project or Other ~~Public Policy~~Long-Term Project by ~~either the NYPSC or the Long Island Power Authority's Board of Trustees~~, pursuant to this section, is supplementary to, and not to the exclusion of, the submission of proposed projects pursuant to Section ~~31.4.3.1~~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 ~~31.4.3.2~~31.6.9.1.4 will be recoverable under Section ~~31.5.6~~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 ~~31.5.5.4~~31.5.6.4.3, except as otherwise determined by the Commission.

~~31.4.4~~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 ~~31.4.4~~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 ~~31.4.4.1.1~~31.6.9.2.1.1, the Affiliate(s) shall provide to the ISO: (i) the information required in Section ~~31.4.4.1.1~~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.

~~31.4.4.1~~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 ~~Public Policy~~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.

~~31.4.4.1.1~~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 ~~Public Policy~~Long-Term Transmission Project based on the following criteria:

~~31.4.4.1.1.1~~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;

~~31.4.4.1.1.2~~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

~~31.4.4.1.1.3~~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 ~~Public Policy~~Long-Term Transmission Need.

~~31.4.4.1.1.4~~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.

~~31.4.4.1.2~~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 ~~31.4.4.1.1.3~~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 ~~thirty~~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 ~~three-year~~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 ~~Public Policy~~Long-Term Transmission Project and shall be eligible to use the cost allocation and cost recovery mechanism for regulated ~~Public Policy~~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.

~~31.4.4.2~~ **Reserved.**

~~31.4.4.3~~31.6.9.3 **Submittal of Project Information and Developer Qualification Information~~and~~; Opportunity to Provide Additional Information; and Project Withdrawal**

~~31.4.4.3~~31.6.9.3.1 Following the posting of the NYPSC's determination of a ~~Public Policy~~Long-Term Transmission Need in accordance with ~~Sections 31.4.2.1 through 31.4.2.3~~Section 31.6.8.1 and before issuing a solicitation for solutions in accordance with Section ~~31.4.3~~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 ~~31.4.8~~31.6.10.4 for purposes of soliciting solutions to the ~~Public Policy~~Long-Term Transmission Need. To the extent practicable, before issuing a solicitation for solutions in accordance with Section ~~31.4.3~~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 ~~will~~may use in formulating

capital cost estimates for proposed ~~Public Policy~~Long-Term Transmission Projects.

~~31.4.4.3.2~~31.6.9.3.2 All Developers proposing ~~Public Policy~~Long-Term Transmission Projects or Other ~~Public Policy~~Long-Term Projects to satisfy a ~~Public Policy~~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 ~~Public Policy~~Long-Term Transmission Need, which time period may be extended by the ISO pursuant to Section 31.1.8.7, ~~the project information required under Section 31.4.5.~~ The only permitted alternatives within a proposed ~~Public Policy~~Long-Term Transmission Project are routing alternatives as provided in Section ~~31.4.5.1.3~~31.6.9.5.1.3. Any other alternative must be submitted as a separate ~~Public Policy~~Long-Term Transmission Project.

~~31.4.4.3.3~~31.6.9.3.3 If the Developer submits Confidential Information, as defined in Section ~~31.4.15~~31.6.15, as part of its project information submitted pursuant to Section ~~31.4.4.3.2~~31.6.9.3.2 or as part of its additional project information submitted pursuant to Section ~~31.4.4.3.5~~31.6.9.3.5, the Developer shall ~~submit redacted and un-redacted versions of this project~~include this information ~~pursuant to Section 31.4.15.4~~in the appropriate form set forth in ISO Procedures.

~~31.4.4.3.4~~31.6.9.3.4 The Developer of a ~~Public Policy~~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 ~~Interconnection Request under Attachment X 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 ~~Public Policy~~Long-Term Transmission Project in accordance with ~~this~~ Section ~~31.4.4.3~~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.

~~31.4.4.3~~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 ~~31.4.4.3.8~~31.6.9.3.8. A Developer's failure to provide the ~~data~~information requested by the ISO or to satisfy the other requirements in Sections ~~31.4.4.3 or 31.4.4.4~~31.6.9.3 or 31.6.9.4 within the required timeframes shall result in the rejection of the Developer's proposed ~~Public Policy~~Long-Term Transmission Project or Other ~~Public Policy~~Long-Term Project from further consideration during that planning cycle.

~~31.4.4.3.6~~31.6.9.3.6 Any Developer that the ISO has determined under Section ~~31.4.4.1.2 of this Attachment Y~~31.6.9.2.1.2 to be qualified to propose to develop a transmission project as a transmission solution to a ~~Public Policy~~Long-Term Transmission Need may submit the required project information for its proposed ~~Public Policy~~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 ~~31.4.4.3.8~~31.6.9.3.8.

~~31.4.4.3.7~~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 ~~Public Policy~~Long-Term Transmission Project, must submit to the ISO the information required for Developer qualification under Section ~~31.4.4.1~~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 ~~31.4.4.3.8~~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 ~~Public Policy~~Long-Term Transmission Project to be considered in that planning cycle.

~~31.4.4.3.8~~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.

~~31.4.4.3.9~~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 ~~Public-Policy~~Long-Term Transmission Project to be considered in that planning cycle.

~~31.4.4.3.10~~31.6.9.3.10 Within ~~five (5)~~15 business days of ~~its receipt of proposed-~~
~~Public-Policy Transmission Projects and Other Public-Policy Projects~~the
conclusion of the solicitation period established pursuant to Section
~~31.4.4.3.2~~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 ~~31.4.15~~31.6.15.

~~31.4.4.3.11~~31.6.9.3.11 Following the ISO's determination that the project information submitted by the Developer for its proposed ~~Public-~~
~~Policy~~Long-Term Transmission Project pursuant to Sections ~~31.4.4.3.2 and~~
~~31.4.4.3.5~~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
~~31.4.4.3.5~~31.6.9.3.5) and ~~at least 30~~within 180 calendar days ~~prior to the ISO's-~~
~~presentation of its Viability and Sufficiency Assessment~~after the conclusion
of the solicitation period established pursuant to Section ~~31.4.6.5~~31.6.9.3.2, the ISO shall make available upon request the ~~redacted version of Developer's-~~
~~initial submission of~~ project information required pursuant to Section
~~31.4.5~~31.6.9.5 for ~~its~~the proposed ~~Public-Policy~~Long-Term Transmission
~~Project~~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 ~~thirtysixty~~ (~~3060~~) calendar days of the ISO's receipt of any additional project information submitted by the Developer for its proposed ~~Public Policy~~Long-Term Transmission Project pursuant to Section ~~31.4.4.3.5~~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 ~~redacted version of 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.

31.4.4.4.31.6.9.4 Application Fee~~and Study~~, Deposit, and Invoice and Payment Requirements for Proposed ~~Regulated Public Policy~~ Long-Term Transmission ~~Project~~ Projects and Other Long-Term Projects

31.6.9.4.1 All Developers that propose ~~Public Policy~~ 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 ~~31.4.4.3.2~~ **31.6.9.3.2**, (i) execute a study agreement with the ISO in the form set forth in Section ~~31.12~~ **31.15** (Appendix ~~IL~~) of this Attachment Y for purposes of, as applicable: (A) the ISO's review of project information and evaluation of the proposed ~~Public Policy~~ Long Term Transmission Project ~~under Sections 31.4.7, 31.4.8, 31.4.9, 31.4.10, and 31.4.11,~~ 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 ~~study~~ deposit of \$100,000, which shall be applied to study and administrative costs and subject to refund as described in this Section ~~31.4.4.4~~ **31.6.9.4**. The ~~study~~ 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 ~~31.4.4.4.31.6.9.4~~. **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 ~~regulated Public-Policy Long-Term~~ Transmission Project or an Other Long-Term Project shall pay, the actual costs ~~of, 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 ~~Public-Policy Long-Term~~ Transmission Project for purposes of the ISO's selection of the more efficient or ~~cost-effective Public-Policy~~ cost-effective Long-Term Transmission Project to satisfy a ~~Public-Policy Long-Term~~ Transmission Need for cost allocation ~~purposes, including costs associated with the ISO's use of subcontractors~~ 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 ~~Public-Policy Long-Term~~ Transmission Project ~~under Sections 31.4.7, 31.4.8, 31.4.9, 31.4.10, and 31.4.11 and any supplemental evaluation or re-evaluation of the proposed Public-Policy 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 ~~for multiple proposed Public-Policy Transmission Projects~~ 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 ~~in evaluating concerning~~ the Developer's proposed ~~Public Policy~~ Long-Term Transmission Projects 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 ~~thirty (30)-~~ calendar days of the ISO's issuance of the monthly invoice. The ISO shall continue to hold the full amount of the ~~study~~ 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 study deposit to recover the owed amount. If the ISO must draw on the study 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 ~~make payments to the ISO to restore the full study deposit amount. If the. If the~~ Developer fails to make such payments, the ISO may halt its evaluation of the Developer's proposed ~~Public Policy~~ 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 ~~Public Policy Transmission Project~~ project from further consideration. ~~After the conclusion of the ISO's evaluation of the Developer's proposed Public Policy Transmission Project or if the Developer: (i) withdraws its proposed Public Policy Transmission Project or (ii) fails to pay an invoiced~~*

~~amount and the ISO halts its evaluation of the proposed Public Policy Transmission Project, the ISO shall issue a final invoice and~~ 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 ~~study~~ deposit submitted to the ISO under ~~this~~ Section ~~31.4.4.4~~ 31.6.9.4 and any interest actually earned on the deposited amount that together exceeds the outstanding amounts that the ISO has incurred ~~in evaluating~~ pursuant to Section 31.6.9.4 concerning that Developer's proposed ~~Public Policy~~ Long-Term Transmission Project or Other Long-Term Project. The ISO shall refund the remaining portion within ~~sixty~~ ninety

(~~60~~90) calendar days of the ISO's receipt of ~~all final invoices from its subcontractors and involved Transmission Owners~~ 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 ~~Public-Policy~~ 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~~ calendar days after resolution of the dispute, the Developer will pay the ISO any amounts due with interest actually earned on such amounts.

~~31.4.5~~ 31.6.9.5 Project Information Requirements

~~31.4.5.1~~ 31.6.9.5.1 Requirements for ~~Public-Policy~~ Long-Term Transmission Projects

~~31.4.5.1.1~~ 31.6.9.5.1.1 In response to the ISO's solicitation for solutions pursuant to

Section ~~31.4.4.3~~ 31.6.9.3.2, a Developer proposing a ~~Public-Policy~~ Long-Term

Transmission Project to satisfy a ~~Public-Policy~~ 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 ~~Public-Policy~~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 ~~Public-Policy~~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 ~~31.4.4.3.4~~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 voluntarily submits in accordance with Section 31.6.9.5.1.9; (14) any Cost Cap that the Developer voluntarily submits in accordance with Section ~~31.4.5.1.8~~31.6.9.5.1.10; (~~14~~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 ~~(15)~~17) any other information required by ISO Procedures or requested by the ISO.

~~31.4.5.1.2~~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 ~~Public Policy~~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 ~~all~~ equipment for: (i) the proposed project (separately identifying new transmission facilities ~~and Public Policy, 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, ~~S, X,~~ 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).

~~31.4.5.1.3~~31.6.9.5.1.3 A completed transmission and substation routing study provided by the Developer shall: (i) identify a specific routing plan ~~with~~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).

~~31.4.5.1.4~~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 ~~31.4.15~~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.”

~~31.4.5.1.5~~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.

~~31.4.5.1.6~~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.

~~31.4.5.1.7~~31.6.9.5.1.8 Upon the completion of any interconnection study or transmission expansion study of a proposed ~~Public Policy~~Long-Term Transmission Project that is performed under Sections 3.7 or 4.5 of the ISO OATT or Attachments P~~5~~X, 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.

~~31.4.5.1.8~~31.6.9.5.1.10 A Developer may voluntarily submit with its project information a Cost Cap for its proposed ~~Public Policy~~Long-Term Transmission Project that covers its Included Capital Costs, as defined in ~~31.4.5.1.8.1~~31.6.9.5.1.10.1, but not its Excluded Capital Costs, as defined in Section ~~31.4.5.1.8.2~~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 ~~31.4.5.1.8.3~~31.6.9.5.1.10.3. If the Developer's proposed ~~Public Policy~~Long-Term Transmission Project is selected by the ISO pursuant to ~~Sections 31.4.8.2 and 31.4.11~~Section 31.6.11.4, the Developer shall include its proposed Cost Cap in its Development Agreement for its Designated ~~Public~~

~~Policy~~Long-Term Transmission Project in accordance with Section ~~31.4.12.2~~31.6.12.2. In accordance with Section 6.10.6 of the ISO OATT, the Developer of the selected ~~Public-Policy~~Long-Term Transmission Project shall file its Cost Cap for its Designated ~~Public-Policy~~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 ~~Public-Policy~~Long-Term Transmission Project may recover for its Designated ~~Public-Policy~~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 ~~31.4.5.1.8.2~~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.

~~31.4.5.1.8.1~~31.6.9.5.1.10.1 A Developer that elects to submit a Cost Cap for its proposed ~~Public-Policy~~Long-Term Transmission Project must propose to contain all capital costs incurred by a Developer to plan for and construct a ~~Public-Policy~~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 ~~31.4.5.1.8.2~~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 ~~31.4.5.1.8.1.1~~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 ~~Public~~PolicyLong-Term Transmission Project, but are not owned by the Developer (e.g., existing utility rights-of-way).

~~31.4.5.1.8.1.1~~31.6.9.5.1.10.1.1 For purposes of Section ~~31.4.5.1.8.1~~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 ~~Public~~PolicyLong-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.

~~31.4.5.1.8.2~~31.6.9.5.1.10.2 A Developer may not include the “Excluded Capital Costs” of a proposed ~~Public Policy~~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 ~~Public Policy~~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 ~~Public Policy~~Long-Term Transmission Project in one of its transmission expansion or interconnection processes; ~~(iii)~~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; ~~(iv)~~v unforeseeable environmental remediation and environmental mitigation costs as described in Section ~~31.4.5.1.8.2.1, and~~31.6.9.5.1.10.2.1; ~~(v)~~vi real estate costs for existing rights-of-way that are part of the proposed ~~Public Policy~~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 ~~31.4.5.1.8.1~~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).

~~31.4.5.1.8.2~~31.6.9.5.1.10.2.1 For purposes of Section ~~31.4.5.1.8.2~~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

~~31.4.5.1.8.1~~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.

~~31.4.5.1.8.3~~31.6.9.5.1.10.3 A Developer may submit a Cost Cap for its proposed ~~Public Policy~~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 ~~Public-~~

~~Policy~~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.

~~31.4.5.1.8.4~~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.

~~31.4.5.1.8.5 If the ISO identifies a deficiency in a Developer's Cost Cap, such as a discrepancy resulting from the ISO determining that (i) a Public Policy Transmission Upgrade is included in the Included Capital Costs or (ii) a facility identified by a Developer as a Public Policy Transmission Upgrade is not a Public Policy Transmission Upgrade, the ISO shall request additional information from the Developer pursuant to Section 31.4.4.3.8, and the Developer may provide a revised Cost Cap that addresses the deficiency identified by the ISO.~~

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.

~~31.4.5.2~~31.6.9.5.2 **Requirements for Other ~~Public Policy~~Long-Term Projects**

~~31.4.5.2.1~~31.6.9.5.2.1 In response to the ISO's solicitation for solutions pursuant to Section ~~31.4.4.3.2~~31.6.9.3.2, a Developer proposing an Other ~~Public Policy~~Long-Term Project to satisfy a ~~Public Policy~~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.

~~31.4.5.2.2~~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 ~~31.4.15~~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.”

~~31.4.5.2.3~~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.

~~31.4.5.2.4~~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.

~~31.4.5.2~~31.6.9.5.2.5 Upon the completion of any interconnection study or transmission expansion study of a proposed Other ~~Public Policy~~Long-Term Project that is performed under Sections 3.7 or 4.5 of the ISO OATT or Attachments P, ~~X, Z,~~ 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.

~~31.4.6 ISO Evaluation of Proposed Solutions to Public Policy Transmission Needs~~

~~31.4.6.1 Evaluation Time Period~~

~~The ISO will study proposed Public Policy Transmission Projects and Other Public Policy Projects using: (i) the most recent base case from the Reliability Planning Process, (ii) updates in accordance with ISO Procedures, and (iii) compensatory MWs as needed to resolve the Reliability Needs over the ten-year Study Period. The ISO will extend the most recent reliability and economic planning models for modeling solutions for Public Policy Transmission Needs by up to an additional twenty years following the Study Period, as appropriate based upon the Public Policy Requirement and the identified Public Policy Transmission Need.~~

~~31.4.6.2 Comparable Evaluation of All Proposed Solutions~~

~~The ISO shall evaluate any proposed Public Policy Transmission Project or Other Public Policy Project submitted by a Developer to a Public Policy Transmission Need. The ISO will evaluate whether each proposed solution is viable pursuant to Section 31.4.6.3~~

~~below and is sufficient to satisfy the Public Policy Transmission Need pursuant to Section 31.4.6.4. The proposed solution may include multiple components and resource types. When evaluating proposed solutions to a Public Policy 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.~~

~~31.4.6.3 Evaluation of Viability of Proposed Solution~~

~~The ISO will determine the viability of a Public Policy Transmission Project or Other Public Policy Project—whether transmission, generation, demand response, or a combination of these resource types—proposed to satisfy a Public Policy Transmission Need. For purposes of its analysis, the ISO will consider: (i) the Developer qualification data provided pursuant to Section 31.4.4 and the project information data provided under Section 31.4.5; (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. If the ISO determines that the proposed solution is not viable, the ISO shall reject the proposed solution from further consideration during that planning cycle.~~

~~31.4.6.4 Evaluation of Sufficiency of Proposed Solution~~

~~The ISO will perform a comparable analysis of each proposed Public Policy Transmission Project or Other Public Policy Project—whether transmission, generation, demand response, or a combination of these resource types—to confirm that the proposed~~

~~solution satisfies the Public Policy Transmission Need. The ISO will evaluate each solution to measure the degree to which the proposed solution independently satisfies the Public Policy Transmission Need, including the evaluation criteria provided by the NYPSC. If the ISO determines that the proposed solution is not sufficient, the ISO shall reject the proposed solution from further consideration during that planning cycle.~~

~~31.4.6.5 Viability and Sufficiency Assessment~~

~~The ISO will present its Viability and Sufficiency Assessment to stakeholders, interested parties, and the NYDPS for comment. The Viability and Sufficiency Assessment shall identify the information and sources relied upon by the ISO, describe the ISO's assumptions, inputs, methodologies, and state the results of its analyses. The ISO shall file the final Viability and Sufficiency Assessment at the NYPSC. The ISO shall report in the Public Policy Transmission Planning Report the results of its evaluation under this Section 31.4.6 of whether each proposed Public Policy Transmission Project or Other Public Policy Project is viable and is sufficient to satisfy the identified Public Policy Transmission Need.~~

~~31.4.6.5~~31.6.9.6 Identification of ~~Public Policy~~Long-Term Transmission Upgrades and Right-Sized Replacement Transmission Facilities in Proposed ~~Public Policy~~Long-Term Transmission Projects

~~31.4.6.5.1.1 At least 30 Calendar Days prior to the ISO's presentation of the initial draft of the Viability and Sufficiency Assessment, the~~The ISO shall post a list of the facilities that make up the ~~Public Policy~~proposed Long-Term Transmission Projects (but not including potential interconnection facilities) ~~that were evaluated in the Viability and Sufficiency Assessment~~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 ~~Public Policy~~Long-Term Transmission Upgrade or Right-Sized Replacement Transmission Facility. For those facilities that satisfy the definition of a ~~Public Policy~~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 ~~Public Policy~~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 ~~31.4.5.1.2 of this Attachment Y~~31.6.9.5.1.2. Any interested party may dispute the ISO's determination to identify, or not identify, a facility as a ~~Public Policy~~Long-Term Transmission Upgrade or a Right-Sized Replacement Transmission Facility by providing the ISO with written notice within 20 ~~Calendar Days~~calendar days of the ISO's posting of the list pursuant to this Section ~~31.4.6.5.1.1~~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 ~~in discussing the Viability and Sufficiency Assessment~~ 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 ~~this~~ Section ~~31.4.6.5.1.1 on or before the ISO's filing of the Viability and Sufficiency Assessment at the NYPSC~~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.

~~31.4.6.5.1.2 For purposes of the ISO's ongoing solicitation as of October 12, 2021 of proposed solutions to address a Public Policy Transmission Need identified for the 2020-2021 planning cycle of the Public Policy Transmission Process, the ISO shall post a list of the facilities that make up the Public Policy Transmission Projects (but not including potential interconnection facilities) that were evaluated in the Viability and Sufficiency Assessment in accordance with the requirements in Section 31.4.6.5.1.1; provided, however, that, if the Commission has not accepted this Section 31.4.6.5.1 as of 30 Calendar Days prior to the ISO's presentation of the initial draft of the Viability and Sufficiency Assessment, the ISO will: (i) post the list of facilities as soon as reasonably practicable following an order from the Commission accepting this Section 31.4.6.5.1 and (ii) specify at that time the date for its posting the final list of facilities, which shall not be more than 60 Calendar Days following the posting of the initial list. Any interested party may dispute the ISO's determination to identify, or not identify, a facility as a Public Policy Transmission Upgrade by providing the ISO with written notice within 20 Calendar Days of the ISO's posting of the initial list, 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 under this Section 31.4.6.5.1.2 on or before the later date of: (i) the ISO's filing of the Viability and Sufficiency Assessment at the NYPSC, or (ii) the~~

~~posting date specified by the ISO with its provision of the initial facilities list. The ISO shall note whether any of the facilities still have pending disputes at the time the list is posted.~~

~~31.4.6.6 Developer's Determination to Proceed~~

~~Within 15 Calendar Days following the ISO's filing of the Viability and Sufficiency Assessment at the NYPSC, which time period may be extended by the ISO pursuant to Section 31.1.8.7, all Developers of proposed Public Policy Transmission Projects that the ISO has determined satisfy the viability and sufficiency requirements in this Section 31.4.6 shall notify the ISO whether they intend for their projects to proceed to be evaluated by the ISO for purposes of the ISO's selection of the more efficient or cost effective Public Policy Transmission Project to satisfy an identified Public Policy Transmission Need. To proceed, a Developer must include with its notification to the ISO under this Section 31.4.6.6: (i) a demonstration that it has an executed System Impact Study Agreement for a Public Policy Transmission Project that is subject to the Transmission Interconnection Procedures in Attachment P to the ISO OATT, or (ii) a demonstration that a System Reliability Impact Study has commenced for a Public Policy Transmission Project that is subject to the Class Year Study process in Attachment X to the ISO OATT. If a Developer: (i) notifies the ISO that it does not intend for its proposed Public Policy Transmission Project to proceed to be evaluated for purposes of the ISO's selection, or (ii) does not provide the required notification to the ISO under this Section 31.4.6.6, the ISO will remove the project from further consideration during that planning cycle.~~

~~31.4.6.7 NYPSC's Modification or Elimination of a Public Policy Transmission Need~~

~~31.4.6.7.1 If, at any time prior to the ISO's selection of the more efficient or cost-effective transmission solution pursuant to Section 31.4.11.2, the NYPSC issues an order, subject to and in accordance with the State Administrative Procedure Act, that determines that either: (i) there is no longer a transmission need driven by a Public Policy Requirement that requires the ISO's evaluation of potential transmission solutions, or (ii) the transmission need should be modified, the ISO shall take the following action.—~~

~~31.4.6.7.2 If the NYPSC determines that there is no longer a transmission need driven by a Public Policy Requirement in an order as set forth in Section 31.4.6.7.1, 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 31.4.7 through 31.4.11 for the Public Policy Transmission Need initially identified by the NYPSC for that planning cycle pursuant to Section 31.4.2.1.—~~

~~31.4.6.7.3 If the NYPSC modifies the transmission need driven by a Public Policy Requirement in an order as set forth in Section 31.4.6.7.1, the ISO will re-start its Public Policy Transmission Planning Process as an out-of-cycle process to evaluate Public Policy Transmission Projects to address the modified Public Policy Transmission Need. This out-of-cycle process will begin with the ISO's solicitation for Public Policy Transmission Projects to address the modified Public Policy Transmission Need in accordance with~~

~~Sections 31.4.3 and 31.4.4.3. The ISO shall then perform the remainder of the out-of-cycle Public Policy Transmission Planning Process in accordance with the process requirements in Section 31.4 that follow its solicitation for proposed solutions.~~

~~**31.4.7 Evaluation of Regional Public Policy Transmission Projects to Address Local and Regional Needs Driven by Public Policy Requirements 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 Public Policy Transmission Planning Report, as approved by the ISO Board.~~

~~**31.4.7.1 Evaluation of Regional Public Policy Transmission Projects to Address Local Needs Driven By Public Policy Requirements Identified in Local Transmission Plans More Efficiently or More Cost Effectively than Local Transmission Solutions**~~

~~The ISO, using engineering judgment, will determine whether any proposed regional Public Policy Transmission Project on the BPTFs more efficiently or cost-effectively satisfies any needs driven by a Public Policy Requirement identified in the LTPs. If the ISO identifies that a regional Public Policy Transmission Project has the potential to more efficiently or cost-effectively satisfy the needs driven by a Public Policy Requirement identified in the LTPs, it will perform a sensitivity analysis to determine whether the proposed regional Public Policy Transmission Project on the BPTFs would satisfy the needs driven by a Public Policy Requirement identified in the LTPs. If the ISO determines that the proposed regional Public Policy Transmission Project would satisfy the need, the ISO will evaluate the proposed regional Public Policy Transmission Project using the metrics set forth in Section 31.4.8.1 below to determine whether it may be a more~~

~~efficient or cost-effective solution on the BPTFs to the needs driven by a Public Policy Requirement identified in the LTPs than the local solutions proposed in the LTPs.~~

~~31.4.7.2 Evaluation of Regional Public Policy Transmission Project to Address Regional Public Policy Transmission Needs More Efficiently or More Cost Effectively than Local Transmission Solutions~~

~~As referenced in Section 31.2.1.3, the ISO, using engineering judgment, will determine whether a regional Public Policy Transmission Project might more efficiently or more cost-effectively satisfy an identified regional Public Policy Transmission Need on the BPTFs that impacts more than one Transmission District than any local transmission solutions identified by the Transmission Owners in their LTPs in the event the LTPs specify that such transmission solutions are included to address local transmission needs driven by Public Policy Requirements.~~

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

A proposed regulated Public Policy Long-Term Transmission Project submitted by a Developer ~~that the ISO has determined has provided the required notification to proceed under Section 31.4.6.6~~ shall be eligible under ~~this~~ Section **31.4.8**31.6.11 for selection in the Public Policy Long-Term Transmission Planning Report for the purpose of cost allocation and cost recovery under the ISO ~~Tariffs~~OATT. The ISO shall evaluate any proposed regulated Public Policy Long-Term Transmission Projects that are eligible for selection in the planning cycle of the Public Policy Long-Term Transmission Planning Process using the metrics set forth in Section ~~31.4.8.1 below~~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 ~~Public-Policy~~Long-Term Transmission Project performed in accordance with Sections 3.7 or 4.5 of the ISO OATT or Attachments ~~X, 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 ~~Public-Policy~~Long-Term Transmission Project, the ISO and its independent consultant may add appropriate contingency percentages and escalation factors. The ISO shall select in the ~~Public-Policy~~Long-Term Transmission Planning Report for cost allocation and cost recovery purposes the more efficient or ~~cost-effective~~cost-effective transmission solution to satisfy a ~~Public-Policy~~Long-Term Transmission Need in the manner set forth in Section ~~31.4.8.2 below~~31.6.11.

~~31.4.8.1~~31.6.10.4 Metrics for Evaluating More Efficient or ~~Cost-Effective~~Cost-Effective Regulated ~~Public-Policy~~Long-Term Transmission Project to Satisfy ~~Public-Policy~~Long-Term Transmission Need

31.6.10.4.1 In determining which of the eligible proposed regulated ~~Public-Policy~~Long-Term Transmission Projects is the more efficient or ~~cost-effective~~cost-effective solution to satisfy a ~~Public-Policy~~Long-Term Transmission Need, the ISO will ~~consider,~~ and 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 ~~set forth below in this Section 31.4.8.1 and.~~ The ISO will rank ~~each~~ proposed ~~project~~ Long-Term Transmission Projects, or a subset of the projects, based on the quality of ~~its~~ their satisfaction of ~~these~~ 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.

~~31.4.8.1.1~~ 31.6.10.4.3.1 The capital cost estimates for the proposed regulated ~~Public-Policy~~Long-Term Transmission Project, including ~~the~~ accuracy of the proposed estimates and any Cost Cap voluntarily submitted by the Developer of the proposed ~~Public-Policy~~Long-Term Transmission Project pursuant to Sections ~~31.4.5.1.1 and 31.4.5.1.8~~31.6.9.5.1.1 and 31.6.9.5.1.10. For this evaluation, the ISO ~~will~~may apply an independent capital cost estimate, contingency percentage, and escalation factors for the ~~Public-Policy~~Long-Term Transmission Upgrade and Right-Sized Replacement Transmission Facility components of a proposed regulated ~~Public-Policy~~Long-Term Transmission Project.

~~31.4.8.1.2~~31.6.10.4.3.2 A qualitative evaluation of any Cost Cap voluntarily submitted by the Developer of the proposed ~~Public-Policy~~Long-Term Transmission Project as determined pursuant to Section ~~31.4.8.2.2~~31.6.10.5.2.

~~31.4.8.1.3~~31.6.10.4.3.3 The cost per MW ratio of the proposed regulated ~~Public-~~
~~Policy~~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 ~~31.4.8.1.1~~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.

~~31.4.8.1.4~~31.6.10.4.3.4 The expandability of the proposed regulated ~~Public-~~
~~Policy~~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.

~~31.4.8.1.5~~31.6.10.4.3.5 The operability of the proposed regulated ~~Public-~~
~~Policy~~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.

~~31.4.8.1.6~~31.6.10.4.3.6 The performance of the proposed regulated ~~Public-~~
~~Policy~~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).

~~31.4.8.1.7~~31.6.10.4.3.7 The extent to which the Developer of a proposed regulated ~~Public Policy~~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.

~~31.4.8.1.8~~31.6.10.4.3.8 The potential issues associated with delay in constructing the proposed regulated ~~Public Policy~~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.

~~31.4.8.1.9~~31.6.10.4.3.9 The ISO shall apply any criteria ~~specified by the Public Policy Requirement or~~ 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.

~~31.4.8.1.10 The ISO, in consultation with stakeholders, shall, as appropriate, consider other metrics in the context of the Public Policy Requirement, such as: change in production costs; LBMP; losses; emissions; ICAP; TCC; congestion; impact on transfer limits; and deliverability.~~

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.

~~31.4.8.2~~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~~cost-effective transmission solution any voluntary Cost Cap made by a Developer on a quantitative and qualitative basis as described in this Section ~~31.4.8.2~~31.6.10.5. Any voluntarily submitted Cost Cap by the Developer under Section ~~31.4.5.1.8.5~~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 ~~Public-Policy~~Long-Term Transmission Upgrade or Right-Sized Replacement Transmission Facility as an Included Capital Cost.

~~31.4.8.2~~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

~~31.4.8.2~~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 ~~Public-Policy~~Long-Term Transmission Project for purposes of the ISO's evaluation of that project under the metrics set forth in Section ~~31.4.8~~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 ~~Public-Policy~~Long-Term Transmission Project, including costs of any ~~Public-Policy~~Long-Term Transmission Upgrades and any Right-Sized Replacement Transmission Facilities, to the amount of Included

Capital Costs for the ~~Public Policy~~Long-Term Transmission Project that is determined pursuant to Sections ~~31.4.8.2.1.1 or 31.4.8.2.1.2~~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 ~~Public Policy~~Long-Term Transmission Project. For purposes of its calculation of the total capital costs of a ~~Public Policy~~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 ~~31.4.5.1.8.2~~31.6.9.5.1.10.2(~~iii~~iv), or concerning the financing of the ~~Public Policy~~Long-Term Transmission Project set forth in Section ~~31.4.5.1.8.2~~31.6.9.5.1.10.2(~~iii~~iv), including debt costs, AFUDC, and any other financing costs.

~~31.4.8.2.1.1~~31.6.10.5.1.1 If the Developer submits a hard Cost Cap for the Included Capital Costs of its proposed ~~Public Policy~~Long-Term Transmission Project, the ISO will use the amount of the Developer's Cost Cap as the amount for Included Capital Costs.

~~31.4.8.2.1.2~~31.6.10.5.1.2 If the Developer submits a soft Cost Cap for the Included Capital Costs of its proposed ~~Public Policy~~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 ~~Public Policy~~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 ~~Public Policy~~Long-Term Transmission Project.

~~31.4.8.2.2~~31.6.10.5.2 Qualitative Evaluation of Cost Cap. For purposes of the ISO's evaluation of a proposed ~~Public Policy~~Long-Term Transmission Project under the metric in Section ~~31.4.8.1.2~~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 ~~31.4.8.2~~31.6.10.5.2, the ISO may request from the Developer additional project information pursuant to Section ~~31.4.4.3.5~~31.6.9.3.5 and Developer financial qualification information pursuant to Section ~~31.4.4.3.6~~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

~~31.4.8.3~~31.6.11.1 ISO Selection of More Efficient or ~~Cost-Effective~~Cost-Effective Regulated ~~Public-Policy~~Long-Term Transmission Project to Satisfy a ~~Public-Policy~~Long-Term Transmission Need

~~31.4.8.3~~31.6.11.1.1 The ISO shall identify under this Section ~~31.4.8~~31.6.11 the proposed regulated ~~Public-Policy~~Long-Term Transmission Project, if any, that is the more efficient or ~~cost-effective~~cost-effective transmission solution proposed in the planning cycle for the ~~Public-Policy~~Long-Term Transmission Planning Process to satisfy a ~~Public-Policy~~Long-Term Transmission Need. The ISO shall include the more efficient or ~~cost-effective~~cost-effective transmission solution in the ~~Public-Policy~~Long-Term Transmission Planning Report.

~~31.4.8.3~~31.6.11.1.2 The ISO shall also preliminarily identify in the ~~Public-Policy~~Long-Term Transmission Planning Report the Designated ~~Public-Policy~~Long-Term Transmission Project(s) that compose the more efficient or ~~cost-effective~~Public-Policycost-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 ~~Public-Policy~~Long-Term Transmission Project. The ISO shall finalize the list of

Designated ~~Public Policy~~Long-Term Transmission Project(s) that compose the selected ~~Public Policy~~Long-Term Transmission Project and the Designated Entity responsible for each Designated ~~Public Policy~~Long-Term Transmission Project in accordance with Section ~~31.4.11 of this Attachment Y~~31.6.11.2.

~~31.4.8.3~~31.6.11.1.3 The Designated Entity responsible for a Designated ~~Public Policy~~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 ~~Public Policy~~Long-Term Transmission Project is selected by the ISO, except as otherwise provided in Section ~~31.4.3~~31.6.9.1.4 or as otherwise determined by the Commission. Costs will be recovered when the Designated ~~Public Policy~~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 ~~31.5.6~~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 ~~when the Developer that submitted the Public Policy Transmission Project is~~ the Designated Entity ~~for a resulting Designated Public Policy Project, it: (i)~~ shall include in the Development Agreement for its Designated ~~Public Policy~~Long-Term Transmission Project in accordance with Section ~~31.4.12~~31.6.12.2 any Cost Cap that it proposed under Section ~~31.4.5~~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 ~~Public Policy~~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.

~~31.4.8.3~~31.6.11.1.4 Any selection of a ~~Public Policy~~Long-Term Transmission Project by the ISO under Section ~~31.4.8~~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 ~~Public Policy~~Long-Term Transmission Project.

~~31.4.9~~ ~~Consequences for Other Regions~~

~~The ISO will coordinate with the ISO/RTO Regions to identify the consequences of a transmission solution driven by Public Policy Requirements on neighboring ISO/RTO Regions using the respective planning criteria of such ISO/RTO Regions. The ISO shall report the results in its Public Policy Transmission Planning Report. The ISO shall not bear the costs of required upgrades in another region.~~

~~31.4.10~~ ~~Evaluation of Impact of Proposed Public Policy Transmission Project on ISO Wholesale Electricity Markets~~

~~The ISO shall evaluate using the metrics set forth in Section 31.4.8.1.9 the impacts on the ISO-administered wholesale electricity markets of a proposed Public Policy Transmission Project that the ISO has determined under Section 31.4.6 is viable and sufficient. The ISO shall include the results of its analysis in the Public Policy Transmission Planning Report.~~

~~31.4.11 Public Policy~~31.6.11.2 Long-Term Transmission Planning Report

31.6.11.2.1 Following the ISO's evaluation of the proposed ~~solutions to Public Policy~~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 ~~Public Policy~~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 ~~Public Policy~~Long-Term Transmission Planning Report will reflect ~~any~~ 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 ~~31.4.15~~31.6.15, the ISO will include in the draft ~~Public Policy~~Long-Term Transmission Planning Report: (i) the list of Developers and their proposed ~~Public Policy~~Long-Term Transmission Projects and Other ~~Public Policy~~Long-Term Projects that qualify pursuant to Sections ~~31.4.4~~31.6.9.2 and ~~31.4.5~~31.6.9.5; (ii) the findings of the Viability and Sufficiency Assessment for the proposed ~~Public Policy Transmission~~Other Long-Term Projects ~~and Other Public Policy Projects~~ that the ISO has determined under Section ~~31.4.6~~31.6.10.6 are viable and sufficient to satisfy the identified ~~Public Policy~~Long-Term Transmission Need(s); (iii) the list of facilities that the ISO posted pursuant to Section ~~31.4.6.5~~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 ~~that has determined to proceed with a viable and sufficient project under Section 31.4.6.6; and (v);~~ (v) a description of any Voluntary Funding Arrangement proposed by a Developer; and (vi) the regulated ~~Public Policy~~Long-Term Transmission Project, if any, that the ISO staff recommends for selection for cost allocation and cost recovery purposes pursuant to Section ~~31.4.8~~31.6.11.1.1 as the more efficient or ~~cost-effective~~cost-effective transmission solution to satisfy each identified ~~Public Policy~~Long-Term Transmission Need.

31.6.11.2.3 The draft ~~Public Policy~~Long-Term Transmission Planning Report shall include a breakdown of the new transmission facilities ~~and Public Policy, Long-Term~~ Transmission Upgrades, and Right-Sized Replacement Transmission Facilities that compose the regulated ~~Public Policy~~Long-Term Transmission Project that the ISO staff recommends for selection. The draft report shall preliminarily identify the Designated ~~Public Policy~~Long-Term Transmission Project(s) that compose the recommended ~~Public Policy~~Long-Term Transmission Project and the Designated Entity responsible for each Designated ~~Public Policy~~Long-Term Transmission Project, which designations will be finalized in accordance with Section ~~31.4.11.3 of this Attachment Y~~31.6.11.5. A Designated ~~Public Policy~~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 ~~Public Policy~~Long-Term Transmission Project will be identified by the ISO as the Designated Entity for those facilities of its ~~Public Policy~~Long-Term Transmission Project that do not meet the definition of ~~Public Policy~~either Long-Term Transmission Upgrades or Right-Sized Transmission Replacement Facilities, which facilities shall constitute a Designated ~~Public Policy~~Long-Term Transmission Project.

If more than one Developer jointly proposed the regulated ~~Public Policy~~Long-Term Transmission Project, then they will collectively be the Designated Entity and jointly and severally responsible for the completion of the Designated ~~Public Policy~~Long-Term Transmission Project. If any facilities of the ~~Public Policy~~Long-Term Transmission Project meet the definition of ~~Public Policy~~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 ~~Public Policy~~Long-Term Transmission Upgrade(s), ~~which Public Policy~~ 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 ~~Public Policy~~Long-Term Transmission Project.

~~The draft Public Policy Transmission Planning Report will also include the results of the ISO's analysis of the LTPs consistent with Section 31.4.7.~~

31.6.11.2.4 The draft ~~Public Policy~~Long-Term Transmission Planning Report shall also indicate the date by which the ~~Public Policy~~Long-Term Transmission Project must be in-service to address the ~~Public Policy~~Long-Term Transmission Need. The in-service date for the ~~Public Policy~~Long-Term Transmission Project shall be: (i) the date prescribed by the NYPSC in its order identifying the ~~Public Policy~~Long-Term Transmission Need as described in Section ~~31.4.2.1~~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 ~~Public Policy~~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 ~~Public Policy~~Long-Term Transmission Need. The in-service date for

the selected ~~Public Policy~~Long-Term Transmission Project shall apply to all Designated ~~Public Policy~~Long-Term Transmission Projects that compose the selected ~~Public Policy~~Long-Term Transmission Project regardless of the Designated Entity; *provided, however*, the draft ~~Public Policy~~Long-Term Transmission Planning Report may also include specific dates by which one or more of the Designated ~~Public Policy~~Long-Term Transmission Projects must be in service in order for the selected ~~Public Policy~~Long-Term Transmission Project to meet the overall in-service date.

31.6.11.2.5 The draft ~~Public Policy~~Long-Term Transmission Planning Report ~~shall include a comparison of a proposed Public Policy Transmission Project to an Interregional Transmission Project proposed in the Public Policy Transmission Planning Process, if any, identified and evaluated under the “Analysis and Consideration of Interregional Transmission Projects” section of the Interregional Planning Protocol. An Interregional Transmission Project proposed in the ISO’s Public Policy Transmission Planning Process may be selected as a regulated Public Policy Transmission Project under the provisions of this process.~~will also include the results of the ISO’s analysis of the LTPs consistent with Section 31.6.10.7.

~~31.4.11.1~~31.6.11.3 Collaborative Governance Process

The draft ~~Public Policy~~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’s evaluation will be provided~~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 ~~sufficient~~reasonable information to replicate the results of the draft ~~Public Policy~~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.

~~31.4.11.2~~31.6.11.4 Board Review, Consideration, and Approval of ~~Public Policy~~Long-Term Transmission Planning Report

Following the Management Committee vote, the draft ~~Public Policy~~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's evaluation will be provided~~Unit will provide the results of its review performed pursuant to Section 31.6.11.3 to the Board. The Board may approve the ~~Public Policy~~Long-Term Transmission Planning Report as submitted or propose modifications on its own motion, including a determination not to select a ~~Public Policy~~Long-Term Transmission Project to satisfy a ~~Public Policy~~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 ~~evaluation~~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 ~~Public~~
~~Policy~~Long-Term Transmission Project under this Section ~~31.4.11.2~~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 ~~30.4.6.8.5~~30.4.6.8.7 of
the Market Monitoring Plan, Attachment O to the ISO Services Tariff.

~~31.4.11.3~~31.6.11.5 **Transmission Owner's Responsibility to Notify the ISO**

Within 30 ~~Calendar Days~~calendar days following the posting of a ~~Public~~
~~Policy~~Long-Term Transmission Planning Report approved by the ISO Board that selects a
regulated ~~Public~~PolicyLong-Term Transmission Project pursuant to ~~this~~ Section
~~31.4.11~~31.6.11.4, a Transmission Owner that has been identified as a Designated Entity for a
Designated ~~Public~~PolicyLong-Term Transmission Project that contains ~~Public~~
~~Policy~~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 ~~31.6.4~~31.1.10.4 of this
Attachment Y to build, own, and recover the cost of the ~~Public~~PolicyLong-Term Transmission
Upgrades ~~and~~ 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 ~~Public~~
~~Policy~~Long-Term Transmission Project identified for the Transmission Owner in the ~~Public~~
~~Policy~~Long-Term Transmission Planning Report. If the Transmission Owner notifies the ISO
of its rejection to be the Designated Entity for one or more ~~Public~~PolicyLong-Term
Transmission Upgrades or Right-Sized Replacement Transmission Facilities identified for its
Designated ~~Public~~PolicyLong-Term Transmission Project, the Developer that proposed the

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

The ISO shall post on its website a list of the Designated Entities and associated Designated ~~Public Policy~~Long-Term Transmission Projects identified in the final ~~Public Policy~~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.

~~31.4.12~~31.6.12 Designated Entity's Responsibilities Following Selection of a ~~Public Policy~~Long-Term Transmission Project

~~31.4.12.1~~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 ~~Public Policy~~Long-Term Transmission Projects pursuant to Section ~~31.4.11.3~~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 ~~Public Policy~~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 ~~Public Policy~~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 ~~31.5.5.4~~31.5.6.4.3, except as otherwise determined by the Commission. The ISO shall recover such costs in accordance with Section ~~31.5.6~~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 ~~Public Policy~~Long-Term Transmission Project is not required to provide any additional information or resources other than the information that ~~was included in the~~ ~~redacted~~Developer has provided in its project proposal ~~submitted~~that is not Confidential Information in accordance with Sections ~~31.4.4.3~~31.6.9.3.3 and ~~31.4.15.4~~31.6.15.

~~31.4.12.2~~31.6.12.2 Development Agreement

As soon as reasonably practicable following the ISO's posting of a list of Designated Entities and Designated ~~Public Policy~~Long-Term Transmission Projects pursuant to Section ~~31.4.11.3~~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 ~~Public Policy~~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 ~~DF~~ in Section ~~31.7~~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 ~~Public Policy~~Long-Term Transmission ~~Project and submitted a Cost Cap for its Public Policy 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 ~~that~~-its Designated ~~Public Policy~~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 ~~Public Policy~~Long-Term Transmission Project by the required in-service date for the Designated ~~Public Policy~~Long-Term Transmission Project identified in the ~~Public Policy~~Long-Term Transmission Planning Report, including the milestones for obtaining all necessary authorizations, and in coordination with the Designated Entities for other Designated ~~Public Policy~~Long-Term Transmission Projects for the selected ~~Public Policy~~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 ~~Public Policy~~Long-Term Transmission Planning Report, including the milestones for obtaining all necessary authorizations, and in coordination with the Designated Entities for other Designated ~~Public Policy~~Long-Term Transmission Projects for the selected ~~Public Policy~~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 ~~DF~~ in Section ~~31.7~~31.9 of this Attachment Y, the ISO shall file the agreement with the Commission for its acceptance within thirty (30) ~~Business Days~~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~~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 ~~Public Policy~~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.

~~31.4.12.3~~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 ~~Public Policy~~Long-Term Transmission Project

~~31.4.12.3.1~~31.6.14.1 The ISO may take the actions described in Sections **~~31.4.12.3.1.1~~** **~~through 31.4.12.3.1.3~~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 ~~Public Policy~~Long-Term Transmission Project pursuant to Section **~~31.4.12.2~~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 **~~31.4.12.2~~31.6.12.2**, or (ii) the ISO determines that an effective Development Agreement for a Designated ~~Public Policy~~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.

~~31.4.12.3.1.1~~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.

~~31.4.12.3.1.2~~31.6.14.3 The ISO may take one or more of the following actions to address a ~~Public Policy~~Long-Term Transmission Need based on the particular circumstances: (i) ~~address the Public Policy Transmission Need in the subsequent planning cycle or, if requested by the NYPSC pursuant to Section 31.4.1, in an out-of-cycle process~~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 ~~its~~one or more of the Designated ~~Public Policy Project~~Long-Term Transmission Projects, including for completion beyond the in-service date required to address the ~~Public Policy~~Long-Term Transmission Need; (iii) solicit bids from qualified Developers to complete the Designated ~~Public Policy~~Long-Term Transmission Project in accordance with Section ~~31.4.12.3.1.3~~31.6.14.4; or (iv) offer the Developer that originally submitted the ~~Public Policy~~Long-Term Transmission Project the opportunity to be the Designated Entity of the Designated ~~Public Policy~~Long-Term Transmission Project in accordance with Section ~~31.4.12.3.1.4~~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.

~~31.4.12.3.1.3~~31.6.14.4 If the ISO determines in accordance with Section ~~31.4.12.3.1.2~~31.6.14.3 that an alternative Developer should be designated to complete a Designated ~~Public-Policy~~Long-Term Transmission Project and the original Developer that proposed the ~~Public-Policy~~Long-Term Transmission Project rejects the offer to be designated to complete the Designated ~~Public-Policy~~Long-Term Transmission Project pursuant to Section ~~31.4.12.3.1.4~~31.6.14.5, the ISO shall solicit bids from Developers to finance and complete the development and construction of the Designated ~~Public-Policy~~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 ~~Public-Policy~~Long-Term Transmission Project may submit a proposal to complete the Designated ~~Public-Policy~~Long-Term Transmission Project. The ISO will specify in its solicitation for bids by Developers those categories of project

information described in Section ~~31.4.5.1~~31.6.9.5.1 that the Developer must submit and will identify the metrics in Section ~~31.4.8~~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 ~~Public Policy~~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 ~~31.4.8~~31.6.10.4 and ~~31.4.11~~31.6.11, including issuing an updated ~~Public Policy~~Long-Term Transmission Planning Report. The ISO shall charge, and a Developer bidding for the Designated ~~Public Policy~~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 ~~31.4.4.4~~31.6.9.4. Each bidding Developer will reimburse the ISO for its actual study costs consistent with the requirements in Section ~~31.4.4.4~~31.6.9.4. The selected alternative Designated Entity must enter into a Development Agreement for the Designated ~~Public Policy~~Long-Term Transmission Project with the ISO in accordance with the requirements in Section ~~31.4.12.2~~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 ~~Public Policy~~Long-Term Transmission Project. The selected alternative Designated Entity and the Designated Entity that the ISO initially identified to be responsible for the Designated ~~Public Policy~~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 ~~in Article~~ set forth in Section 2.16 of the ISO OATT and Section 11 of the ISO Services Tariff.

~~31.4.12.3.1.4~~ 31.6.14.5 If the ISO determines in accordance with Section ~~31.4.12.3.1.2~~ 31.6.14.3 that an alternative Developer should be designated to complete a Designated ~~Public Policy~~ 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 ~~Public Policy~~ Long-Term Transmission Project the opportunity to be the Designated Entity of that Designated ~~Public Policy~~ 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~~ calendar days from the ISO tendering its offer to accept the Designated ~~Public Policy~~ 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 ~~Public Policy~~Long-Term Transmission Need in accordance with the requirements in Section ~~31.4.12.3~~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 ~~Public Policy~~Long-Term Transmission Project. The alternative Designated Entity and the original Designated Entity of the Designated ~~Public Policy~~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 ~~Public Policy~~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 ~~Public Policy~~Long-Term Transmission Project will address any disputes regarding the transfer of the project in accordance with the dispute resolution provisions ~~in Article~~set forth in Section 2.16 of the ISO OATT and Section 11 of the ISO Services Tariff.

~~31.4.12.3.1.5~~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 ~~Public Policy~~Long-Term Transmission Project because ~~(i)-~~ another Designated Entity defaulted on the development of a separate Designated ~~Public Policy~~Long-Term Transmission Project that is a component of the same selected ~~Public Policy~~Long-Term Transmission Project ~~and (ii) the ISO-~~ ~~determined to address the underlying Public Policy Transmission Need in a future planning cycle pursuant to Section 31.4.12.3.1.2 of Attachment Y of the ISO OATT,~~ 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 ~~31.5.5.4.3~~31.5.6.4.3, except as otherwise determined by the Commission. The ISO shall recover such costs in accordance with Section ~~31.5.6~~31.5.7 of this Attachment Y and Rate Schedule 10 of the ISO OATT.

~~31.4.12.4 Execution of ISO/TO Agreement or Comparable Agreement~~

~~The Designated Entity of a Designated Public Policy Project of a selected Public Policy 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 Public Policy Transmission Project.~~

~~31.4.13 ISO Monitoring of Designated Public Policy Projects~~

~~The ISO shall monitor the Designated Public Policy Projects and Designated Network Upgrade Facilities, if applicable, to confirm that they continue to develop consistent with the conditions, actions, or schedules for the projects.~~

~~31.4.14 Posting of Approved Solutions~~

~~The ISO shall post on its website a list of all entities that have accepted the terms and conditions of an Article VII certificate under the New York Public Service Law, or any successor statute, or any other applicable permits to build a Designated Public Policy Project in response to a need driven by a Public Policy Requirement.~~

~~31.4.15~~31.6.15 Confidentiality of Solutions

~~31.4.15.1~~31.6.15.1 The ISO shall treat Confidential Information, as defined in Section

~~31.4.15.2~~31.6.15.2, that is submitted ~~to the ISO~~ by the Developer of a proposed

~~Public Policy~~Long-Term Transmission Project or Other ~~Public~~

~~Policy~~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 ~~Public Policy~~Long-Term Transmission Project in accordance with ISO Procedures.

~~31.4.15.2~~31.6.15.2 For purposes of this Section ~~31.4~~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 ~~31.4.4~~31.6.9.2 or part of its submission of the project information requirements described in Section ~~31.4.5 for its Public Policy~~31.6.9.5 for its Long-Term Transmission Project or Other ~~Public Policy~~Long-Term Project to satisfy its project information requirements pursuant to Sections ~~31.4.4.3.2 and~~ ~~31.4.4.3.5~~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 ~~31.4.4.1.2~~31.6.9.2.1.2; ~~and~~ (iv) any contracts provided under Sections ~~31.4.5.1.4 or~~ ~~31.4.5.2.2~~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 ~~total amount of Included Capital Costs and any cost sharing percentage contained in any Cost Cap proposed by a Developer that are~~following information included in the draft ~~Public Policy~~Long-Term Transmission Planning Report pursuant to Section ~~31.4.11~~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 ~~31.4~~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.

~~31.4.15.3~~31.6.15.3 All other project information submitted by a Developer of a ~~Public Policy~~Long-Term Transmission Project or an Other ~~Public Policy~~Long-Term Project shall not be treated or designated as Confidential Information for purposes of this Section ~~31.4~~31.6 and Attachment F of the ISO OATT.

~~31.4.15.4 If a Developer of a Public Policy Transmission Project intends for the ISO to maintain certain project information as Confidential Information, the Developer shall submit both an un-redacted and a redacted version of the project information required pursuant to Section 31.4.5.1 for its proposed Public Policy Transmission Project. The Developer shall label the material in the un-redacted version that it deems to be "Confidential Information" and shall not include this material in the redacted version. The ISO may review the Developer's proposed redactions to ensure that the redacted information is consistent with the ISO's requirements for Confidential Information in this Section 31.4.15. Based on its review, the ISO may require additional redactions or require the disclosure of redacted information.~~

~~31.4.15.5~~31.6.15.4 Regardless of whether the information is requested pursuant to Section ~~31.4.4.3.11~~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

~~31.4.15~~31.6.15, to the extent required to administer its ~~Public Policy~~Long-Term

Transmission Planning Process or interconnection process, including, but not

limited to, using such information in its ~~Viability and Sufficiency Assessment~~

~~and its Public Policy~~Long-Term Transmission Planning Report.