# 7 Attachment A - Form of Service Agreement for Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, is entered into, by and between \_\_\_\_\_\_\_\_\_\_\_\_\_ (the “ISO”), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Transmission Customer”).

2.0 The Transmission Customer has been determined by the ISO to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

3.0 Service under this agreement shall commence on the later of (l) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

4.0 The ISO agrees to provide and the Transmission Customer agrees to pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

ISO:

Transmission Customer:

6.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

ISO:

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name Title Date

Transmission Customer:

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name Title Date

12.8 Conflicts of Interest

Certain contacts between ISO Employees, or their immediate family members (*i.e.*, spouse or minor children), and Market Participants may constitute or appear to constitute a conflict of interest. Potential conflicts of interest and the ISO’s ability to restrict actions and duties to avoid potential conflicts are discussed below.

12.8.1 Financial Interests and Associations:

12.8.1.1 Prohibited Securities

“Prohibited Securities” shall mean the Securities[[1]](#footnote-2) of a Market Participant that has been active in the ISO Administered Markets in the preceeding twelve months or the Securities of its Affiliates, in either case, if:

(1) the primary business purpose of the Market Participant or its Affiliate is to buy, sell or schedule Energy, Capacity, Ancillary Services or Transmission Services as indicated by an industry code within the “Electric Power Generation, Transmission, and Distribution” industry group under the North American Industry Classification System (“NAICS”) or otherwise determined by the ISO;

(2) the total activity in the ISO Administered Markets (purchases and sales) for all Market Participants affiliated with the publicly traded company during its most recently completed fiscal year is equal to or greater than 0.5% of its gross revenues for the same time period; or

(3) the total activity in the ISO Administered Markets (purchases and sales) for all Market Participants affiliated with the publicly traded company during the prior calendar year is equal to or greater than 3% of the total ISO Administered Market activity (purchases and sales) for the same time period.

The ISO shall compile a list of the Prohibited Securities traded publicly and distribute this list to ISO Employees.

In order for the ISO to remain truly independent, free of any control, or appearance of control, of decision-making by any individual Market Participant, ISO Employees must strictly observe the following rules regarding financial interests in Prohibited Securities:

No ISO Employee or his/her immediate family member shall own, control, or hold with power to vote, Prohibited Securities; *provided, however*,

(1) an ISO Employee or his/her immediate family member may transfer to a single blind trust Prohibited Securities that qualify under Section 12.8.2 to this Attachment F;

(2) any matching contributions made in the Securities of a Market Participant in connection with any savings, pension, or 401(k) plans of a former employee of a Market Participant shall be permitted until the completion of the transfer, spin off and merger of assets and liabilities of such plans to new plans maintained by the ISO;

(3) this provision shall not apply to any purchase of Prohibited Securities by a spouse of an ISO Employee who was, as of the effective date of the ISO OATT, employed by a Market Participant or any Affiliate of such Market Participant and is required to purchase Securities of such Market Participant or Affiliate as a part of his or her employment. Any such purchases by a spouse must be disclosed to the ISO Board which shall have the authority to consider appropriate limitations on the duties of the ISO Employee, including changing his or her duties, to avoid an appearance of a conflict of interest; and

(4) Ownership of mutual funds by ISO Employees that contain Prohibited Securities is permitted provided: (i) the fund is publicly traded; (ii) the fund’s prospectus does not indicate the objective or practice of concentrating its investment in Market Participants or their Affiliates; and (iii) the ISO Employee does not exercise or have the ability to exercise control over the financial interests held by the fund.

An ISO director shall make an appropriate disclosure to the ISO Board if the director is aware that he or she, or an immediate family member, has a financial interest in a Market Participant or its Affiliate that is the subject of a matter before the ISO Board. The Chair of the ISO Board Governance Committee and ISO legal counsel shall consult with the director to determine whether the director should be recused from Board deliberations and decision making regarding the matter.

12.8.1.2 Prohibited Associations

No ISO Employee shall be Associated with any Market Participant. For the purposes of this paragraph, an ISO Employee shall be deemed “Associated” with a Market Participant or its Affiliate if: (1) the ISO Employee is an officer, director, partner, or employee of a Market Participant or any of its Affiliates; (2) the ISO Employee is a former executive officer of a Market Participant, which Market Participant together with its Affiliates has three (3) percent or more of the voting shares on the Management Committee, or of any Affiliate of the Market Participant, and the ISO Employee is receiving continuing benefits under an existing employee benefit plan (other than a defined benefit pension plan or other plan pursuant to which the benefits are independent of the financial condition of the Market Participant and pension payments are distributed to the former employee by a trustee, not as compensation but in accordance with the rules of the pension plan), arrangement or policy of the Market Participant or any of its Affiliates; or (3) the ISO Employee has a material ongoing business or professional relationship with a Market Participant or any of its Affiliates; *provided, however,* that no ISO Employee shall be deemed to have a material ongoing business relationship with a Market Participant or any of its Affiliates solely as a result of being served as a retail customer by a Market Participant or its Affiliates.

12.8.1.3 Consultants

The ISO Board will establish reasonable guidelines with respect to the financial interests of covered consultants or contracts, in accordance with Section 12.13.

12.8.2 ISO Policy on Divestiture or Transfer to a Blind Trust of Financial Interests:

Except as provided in Section 12.8.1, if an ISO Employee or his/her immediate family member owns, controls or has the power to vote Prohibited Securities, the ISO Employee or his/her immediate family member must, within the timeframe set forth below, either (i) divest the Prohibited Securities or (ii) transfer the Prohibited Securities to a single blind trust if they qualify for this option unless material hardship would result. The ISO shall develop a procedure establishing the conditions under which the divestiture or transfer would result in material hardship.

For purposes of this Section 12.8.2, a “blind trust” is a legally binding arrangement pursuant to which a third-party fiduciary, as the trustee, has full management discretion over the assets contained in the trust, and the ISO Employee or his/her immediate family, as the trust beneficiary, has no visibility regarding the specific assets contained in the trust.

Prohibited Securities shall qualify for a blind trust if: (1) the publicly traded company’s NAICS code is not within the “Electric Power Generation, Transmission, and Distribution” industry group, and (2) the total activity in the ISO Administered Markets (purchases and sales) for all Market Participants affiliated with the publicly traded companyduring its most recently completed fiscal year is less than 0.5% of its gross revenues for the same time period. The ISO shall review each year whether the Prohibited Securities that previously qualified for inclusion in a blind trust continue to be qualified under this two-part test.

The timeframe to divest or transfer Prohibited Securities is as follows: (1)  new ISO Employees must divest or transfer to a blind trust Prohibited Securities within six months of commencement of employment; (2) if ownership, control or the power to vote such Prohibited Securities results from an entity becoming a Market Participant, divestiture or transfer to a blind trust must occur within six months of receipt of the ISO’s list of prohibited Securities referencing such Prohibited Securities; (3) if ownership, control or the power to vote such Prohibited Securities is as a result of a gift, inheritance, distribution of marital property or other involuntary acquisition, divestiture or transfer to a blind trust must occur within six months of the acquisition; and (4) if the ISO determines that Prohibited Securities that were previously qualified for inclusion in a blind trust are no longer qualified, divestiture must occur within six months of the ISO’s notice to ISO Employees of this change.

12.8.3 Political Activities:

Restrictions on the political activities of ISO Employees are limited only to the extent that ISO Employees may not engage in lobbying activities on behalf of a Market Participant. Beyond this political activity, ISO Employees are not restricted from participating in any legal political activity so long as they do not purport, directly or indirectly, to represent the ISO without authorization.

ISO Employees are not precluded from holding public office so long as upon accepting public office the ISO compliance officer or designee is notified in writing. The ISO Employee’s work in the public office must not detract from the ISO Employee’ s performance in connection with the ISO, and the ISO Employee shall not represent the ISO in his/her capacity as a public official and shall not use ISO resources for work related to the public office.

Any ISO Employee holding a public office shall abstain from voting or participating in any debate or matters relating to the ISO as part of his/her duties in public office.

12.8.4 Secondary Employment:[[2]](#footnote-3)

ISO Employees shall not take Secondary Employment with a Market Participant or its Affiliate nor transact business with a Market Participant or its Affiliate other than as a retail customer. ISO Employees may take Secondary Employment with a non-Market Participant if the employment: (1) will not embarrass or discredit the ISO; (2) will not interfere with the duties or involve the use of ISO resources, materials or assets; (3) will not create a conflict of interest for the ISO or the ISO Employee; (4) will not result in any Market Participant receiving an advantage, real or apparent, over other Market Participants with respect to the ISO; and (5) is fully disclosed to the ISO prior to commencement of employment with a Secondary Employer and the ISO compliance officer or designee determines whether the criteria of (1) through (4) are met and then authorizes the Secondary Employment in writing.

Where an ISO Employee takes Secondary Employment with a non-Market Participant, that ISO Employee may not transact business with the ISO on behalf of the Secondary Employer.

An ISO Employee shall not serve as a representative of a member of the Executive Committee of the NYSRC.

12.8.5 Other Conflicts of Interest:

ISO Employees must not directly or indirectly request or accept any service (other than as a retail customer of a Market Participant receiving electric, gas or steam service for heating, etc.), money, gift, loan or discount from any Market Participant or any of its Affiliates. Gifts should be returned or offers declined with an appropriate explanation. If a gift is not returnable (*e.g.,* perishable), the gift should be given to the compliance officer for donation to a charity or destroyed. ISO Employees shall not accept meals or entertainment from actual or potential Market Participants, except when it would be socially humiliating to decline the meal or entertainment; if an ISO Employee accepts such a meal or entertainment, the ISO Employee shall promptly report such acceptance to the compliance officer.

Acceptance of an offer of anything of more than nominal value, including but not limited to vacations, property, loans, contributions or unpaid services by ISO Employees from a representative of a Market Participant or any of its Affiliates shall be considered a conflict of interest.

Engaging in outside non-business activity that materially decreases the impartiality, judgment, or effectiveness of ISO Employees shall also be considered a conflict of interest.

25.6 Class Year Study Cost Allocation Methodology For ERIS

25.6.1 Cost Allocation Between Developers and Connecting Transmission Owners (ATBA)

The cost of System Upgrade Facilities is first allocated between Developers and Connecting Transmission Owners, in accordance with the rules that are discussed below in this Section 25.6.1.

25.6.1.1 The cost of System Upgrade Facilities is allocated between Developers and Connecting Transmission Owners based upon the results of an Annual Transmission Baseline Assessment of the five-year need for System Upgrade Facilities. The Annual Transmission Baseline Assessment, as described in these rules, will be conducted by the ISO staff in cooperation with Market Participants. No Market Participant will have decisional control over any determinative aspect of the Annual Transmission Baseline Assessment. The ISO and its staff will have decisional control over the entire Annual Transmission Baseline Assessment. If, at any time, the ISO staff decides that it needs specific expert services from entities such as Market Participants, consultants or engineering firms for it to conduct the Annual Transmission Baseline Assessment, then the ISO will enter into appropriate contracts with such entities for such input. As it conducts each Annual Transmission Baseline Assessment, the ISO staff will provide regularly scheduled status reports and working drafts, with supporting data, to the Operating Committee to ensure that all affected Market Participants have an opportunity to contribute whatever information and input they believe might be helpful to the process. Each completed Annual Transmission Baseline Assessment will be reviewed and approved by the Operating Committee. Each Annual Transmission Baseline Assessment is reviewable by the ISO Board of Directors in accordance with provisions of the Commission-approved ISO Agreement.

25.6.1.1.1 The purpose of the Annual Transmission Baseline Assessment is to identify the System Upgrade Facilities that Transmission Owners are expected to need during the five-year period covered by the Assessment to reliably meet the load growth and changes in the load pattern projected for the New York Control Area, with cost estimates for the System Upgrade Facilities.

25.6.1.1.1.1 Procedure for Annual Transmission Baseline Assessment

The procedure used to identify the System Upgrade Facilities that will ensure that New York State Transmission System facilities are sufficient to reliably serve existing load and meet load growth and changes in load patterns in compliance with NYSRC Reliability Rules, NPCC Basic Design and Operating Criteria, NERC Planning Standards, ISO rules, practices and procedures, and the Connecting Transmission Owner criteria included in FERC Form No. 715 (collectively “Applicable Reliability Requirements”). In order for the ISO to recognize any revisions to Connecting Transmission Owner criteria as Applicable Reliability Requirements under this Attachment S or Applicable Reliability Standards under Attachments X and Z, the Connecting Transmission Owner shall present proposed revisions to such criteria to the Operating Committee or one of its subcommittees. To the extent such revised criteria are not inconsistent with Order No. 2003 or the ISO’s interconnection procedures set forth in Attachments S, X and Z to the OATT, the ISO will accept such revised criteria. The procedure will use the Applicable Reliability Requirements in effect when the Annual Transmission Baseline Assessment is commenced. The procedure will be:

25.6.1.1.1.1.1 The ISO staff will first develop the Existing System Representation.

25.6.1.1.1.1.2 The ISO staff will then utilize the Existing System Representation to develop existing system improvement plans with each Transmission Owner. These improvement plans will use ISO data from the annual NYISO Load and Capacity Data Report to project system load growth and changes in load patterns, including those that reflect demand side management, and will identify the System Upgrade Facilities needed year-by-year for the existing system to reliably serve projected load in the Transmission Owner’s Transmission District for a five-year period. The ISO staff will integrate these existing system improvement plans into the Annual Transmission Baseline Assessment to ensure that the System Upgrade Facilities needed for a five-year period are identified on a New York State Transmission System-wide basis. The Annual Transmission Baseline Assessment will identify each anticipated System Upgrade Facility project, its estimated cost, its anticipated in-service date, and the status of the project (in construction, budget approval received, budget approval pending).

25.6.1.1.1.1.3 The ISO will identify in the Annual Transmission Baseline Assessment the System Upgrade Facilities needed to reliably meet projected load growth and changes in load pattern without the interconnection of any proposed Developer Projects, except for those proposed Projects included in the Existing System Representation pursuant to Section 25.5.5.

25.6.1.1.1.1.4 ISO staff will perform thermal, voltage, and stability analyses, as appropriate, to determine the normal and emergency transfer capabilities of the statewide existing system. To the extent local thermal, voltage, and stability analyses were performed during a Large Facility’s SRIS, such analyses will be relied upon in the Class Year Study, including the identification of System Upgrade Facilities required to mitigate adverse impacts under the NYISO Minimum Interconnection Standard. Estimates for the cost and timing to construct System Upgrade Facilities identified in the SRIS to mitigate local thermal, voltage or stability issues will be refined in the Class Year Study.

25.6.1.1.1.1.5 ISO staff will rely on the most recent resource reliability analysis of the existing system. If no Reliability Needs are required under the study assumptions used in the most recent resource reliability analysis, the existing system will be deemed to meet Applicable Reliability Requirements for purposes of the Class Year Study.

25.6.1.1.1.1.6 If the transmission and generation facilities included in the Existing System Representation, combined with previously approved and accepted System Upgrade Facilities, are insufficient to meet Applicable Reliability Requirements on a year by year basis, then the ISO staff will develop feasible generic solutions that satisfy the Applicable Reliability Requirements, in accordance with Section 25.6.1.2, below.

25.6.1.1.1.1.7 If the existing system meets Applicable Reliability Requirements, the ISO staff will perform short circuit analysis to determine whether there is sufficient interrupting capability in the existing system. If there are any breaker overloads, the ISO staff will determine the System Upgrade Facilities needed to mitigate the short circuit overloads.

25.6.1.1.1.1.8 A reassessment of Sections 25.6.1.1.1.1.4 through 25.6.1.1.1.1.6 shall be reassessed and, to the extent required by Good Utility Practice, repeated if the improvement plan impacts the transmission transfer capability of the system. The results of the short circuit analysis will be treated in the same manner as the results of thermal, voltage and stability analyses for all purposes under these cost allocation rules.

25.6.1.1.1.1.9 Each Annual Transmission Baseline Assessment conducted by ISO staff will be reviewed and approved by the Operating Committee, and its effectiveness will be subject to the approval of the Operating Committee. In its report to the Operating Committee, the ISO shall explain its reasons for all of its recommendations.

25.6.1.1.1.1.10 Each most recently completed Annual Transmission Baseline Assessment will be reviewed the following year by the ISO staff and updated, as necessary, following the criteria and procedures described herein.

25.6.1.2 In developing solutions as required by Section 25.6.1.2.6, the ISO will, as it develops its own generic solutions, also utilize the following procedures.

25.6.1.2.1 The ISO will first select as generic solutions proposed Class Year Developer Projects sufficient to meet Applicable Reliability Requirements on a year by year basis. If a proposed Class Year Developer project is larger than necessary, the ISO shall select that portion or segment of the project that is sufficient to meet but not exceed Applicable Reliability Requirements. If the proposed Developer project is not capable of being segmented or if the Developer project cannot meet Applicable Reliability Requirements on a year by year basis, the ISO shall not select it.

25.6.1.2.2 If the generation and transmission facilities included in the Existing System Representation, together with any proposed Developer Projects that qualify as solutions pursuant to Section 25.6.1.2.1, above, are not sufficient to meet Applicable Reliability Requirements, the ISO shall complete the development of its own generic solutions, taking into account any generic solutions proposed pursuant to Section 25.6.1.2.3, below, for inclusion in the ATBA.

25.6.1.2.3 Market Participants may also propose generic solutions for inclusion in the ATBA. The Market Participant proposing such solutions shall provide the ISO with all data necessary for the ISO to determine the feasibility of such proposed generic solutions.

25.6.1.2.4 The ISO shall develop and consider alternative sets of proposed generic solutions that fairly represent the range of feasible solutions to Applicable Reliability Requirements.

25.6.1.2.5 The ISO shall determine the feasibility of additional generic solutions developed pursuant to Sections 25.6.1.2.2, 25.6.1.2.3 and 25.6.1.2.3, according to the following criteria:

25.6.1.2.5.1 The ISO shall select only solutions that are based on proven technologies that have actually been licensed and financed, are under construction or have already been built in similar locations.

25.6.1.2.5.2 The ISO shall select as additional generic solutions only facilities that can reasonably be placed in service in time to meet Applicable Reliability Requirements on a year by year basis. In making this determination, the ISO shall consider the size and type of facility, access to fuel, access to transmission facilities, transmission upgrade requirements, construction time, and Good Utility Practice.

25.6.1.2.6 The ISO will submit its proposed generic solutions and the alternatives that it considered to Market Participants and to an independent expert for review and will make the results of the expert’s review available to Market Participants. The independent expert shall review the feasibility of the proposed generic solutions developed pursuant to Sections 25.6.1.2.2, 25.6.1.2.3 and 25.6.1.2.3, and of generic solutions based on the segmentation of any Class Year developer Projects under Section 25.6.1.2.1, according to the criteria set forth in Section 25.6.1.2.5.

25.6.1.2.6.1 If the independent expert concludes that one or more generic is not feasible, the ISO shall eliminate that solution from further review.

25.6.1.2.6.2 If the ISO does not adopt the expert’s recommendations, it will state in its report to the Operating Committee its reasons for not adopting those recommendations.

25.6.1.2.7 Subject to Section 25.6.1.2.7, below, in the event that more than one generic solution or set of solutions satisfies the feasibility requirement of Section 25.6.1.2.7, the ISO shall compare the System Upgrade Facilities that would be necessary to interconnect each such generic solution and shall adopt the solution that is most consistent with Good Utility Practice. For these purposes, in comparing alternative solutions, a generic solution that satisfies sub-load pocket deficiencies shall normally be selected first.

25.6.1.2.7.1 The ISO shall be responsible for determining whether any generic solution or proposed Developer Project meets Applicable Reliability Requirements.

25.6.1.3 With the exception of those upgrades that were previously allocated to, and accepted by Developer Projects as a part of the Annual Transmission Reliability Assessment in the Final Decision Round of previous Class Years, Developers are not responsible for the cost of any System Upgrade Facilities that are identified in the Annual Transmission Baseline Assessment, or any System Upgrade Facilities that resolve in whole or in part a deficiency in the system identified in the Annual Transmission Baseline Assessment.

25.6.1.4 Developers are responsible for 100% of the cost of the System Upgrade Facilities, not already identified in the Annual Transmission Baseline Assessment that are needed as a result of their Projects, and required for their Projects to reliably interconnect to the transmission system in a manner that meets the NYISO Minimum Interconnection Standard. The System Upgrade Facilities necessary to accommodate Developer Projects will be determined by the Interconnection Facilities Studies and the Annual Transmission Reliability Assessment. The criteria and procedures that will be followed to conduct the Annual Transmission Reliability Assessment are discussed below.

25.6.1.4.1 If a Connecting Transmission Owner or Developer elects to construct System Upgrade Facilities that are larger or more extensive than the minimum facilities required to reliably interconnect the proposed project, and are reasonably related to the interconnection of the proposed project, then the Connecting Transmission Owner or Developer is responsible for the cost of those System Upgrade Facilities in excess of the minimum System Upgrade Facilities required by the Developer Projects. If there is Headroom associated with these larger System Upgrade Facilities and a Developer of any subsequent project interconnects and uses the Headroom within ten years of its creation, such subsequent Developer shall pay the Connecting Transmission Owner or the Developer for this Headroom in accordance with these rules, including Section 25.8.7, below.

25.6.1.5 The System Upgrade Facilities cost for which a Developer is responsible will be determined on a “net” basis; that is, the Developer’s System Upgrade Facilities cost will be determined net of the benefits, or System Upgrade Facility cost reductions, that result from the construction and operation of its project and the related upgrades. The net cost responsibility of a Developer will not be less than zero. Also, the cost responsibility of the Connecting Transmission Owner for System Upgrade Facilities will be no greater than it would have been without the Developer’s project. Specifically, the Connecting Transmission Owner shall not be required to pay (in total) more than 100% of the cost of installing a specific piece of equipment.

25.6.1.5.1 The purpose of this approach is to allocate to the Developer the responsibility for the cost of the net impact of its project on the needs of the transmission system for System Upgrade Facilities. Thus, a Developer is responsible for the cost of the System Upgrade Facilities that are required by, or caused by, its project. A Developer is not responsible for the cost of System Upgrade Facilities that would be required anyway, without the construction of its project. If a Developer’s project reduces the cost of System Upgrade Facilities that would be required anyway, that beneficial cost reducing impact will be recognized.

25.6.1.5.2 The net System Upgrade Facilities cost and cost reduction benefits of a Developer’s project are determined by ISO staff comparing and netting the results of an Annual Transmission Baseline Assessment with the corresponding Annual Transmission Reliability Assessment in accordance with these rules.

25.6.1.5.3 The net System Upgrade Facilities cost and cost reduction benefits of a Developer’s project are comprised of those costs and cost reduction benefits caused by (1) the construction of System Upgrade Facilities not contained in the Annual Transmission Baseline Assessment, and (2) eliminating or reducing the need for the construction of System Upgrade Facilities contained in the Annual Transmission Baseline Assessment, due to the construction of System Upgrade Facilities associated with the proposed project.

25.6.1.5.4 The Developer’s net cost responsibility will be determined using constant dollars. That is, when netting the cost of System Upgrade Facilities required for its project, as identified in the Annual Transmission Reliability Assessment, with those identified in the Annual Transmission Baseline Assessment, the cost of System Upgrade Facilities in the out-years of the Annual Transmission Baseline Assessment and the out-years of the Annual Transmission Reliability Assessment will be discounted to a current year value for netting. The cost of out-year System Upgrade Facilities will be discounted to a current value using the weighted average cost of capital of the Connecting Transmission Owner.

25.6.2 Cost Allocation Among Developers (ATRA)

The Developers’ share of the cost of System Upgrade Facilities is allocated among Developers based upon the ISO Annual Transmission Reliability Assessment. The Annual Transmission Reliability Assessment will be conducted by ISO staff to ensure New York State Transmission System compliance with Applicable Reliability Requirements. The ISO staff will conduct the Annual Transmission Reliability Assessment, as described in these rules, in cooperation with Market Participants. No Market Participant will have decisional control over any determinative aspect of the Annual Transmission Reliability Assessment. The ISO and its staff will have decisional control over the entire Annual Transmission Reliability Assessment. If, at any time, the ISO staff decides that it needs specific expert services from entities such as Market Participants, consultants or engineering firms for it to conduct the Annual Transmission Reliability Assessment, then the ISO will enter into appropriate contracts with such entities for such input. As it conducts each Annual Transmission Reliability Assessment, the ISO staff will provide regularly scheduled status reports and working drafts, with supporting data, to the Operating Committee to ensure that all affected Market Participants have an opportunity to contribute whatever information and input they believe might be helpful to the process. Each completed Annual Transmission Reliability Assessment will be reviewed and approved by the Operating Committee. Each Annual Transmission Reliability Assessment is reviewable by the ISO Board of Directors in accordance with the provisions of the Commission-approved ISO Agreement.

25.6.2.1 The Annual Transmission Reliability Assessment for each Class Year will identify the System Upgrade Facilities required for all Class Year Projects, with cost estimates for the System Upgrade Facilities. The System Upgrade Facilities identified through the Annual Transmission Reliability Assessment will only be those System Upgrade Facilities that are not already included in an Annual Transmission Baseline Assessment.

25.6.2.2 For each Annual Transmission Reliability Assessment, the ISO will utilize the Existing System Representation used for the corresponding Annual Transmission Baseline Assessment.

25.6.2.3 Each Annual Transmission Reliability Assessment will update the results of Interconnection System Reliability Impact Studies that have previously been performed for certain proposed Projects.

25.6.2.3.1 Subject to the additional requirements in Sections 25.6.2.3.2 - 25.6.2.3.4, below, a Large Facility is eligible to have its project included in a given Class Year Study (*i.e.,* become a Class Year Project), if on or before the Class Year Start Date (i) the Operating Committee has approved (1) an Interconnection System Reliability Impact Study for the project performed pursuant to Attachment X of the ISO OATT or (2) a System Impact Study for the project performed pursuant to Attachment P to the ISO OATT, and (ii) the regulatory milestone has been satisfied in accordance with Sections 25.6.2.3.1.1, 25.6.2.3.1.2, or 25.6.2.3.1.3; provided, however, in lieu of satisfying a regulatory milestone by the Class Year Start Date, the Large Facility can, on or before the date by which a Developer is required to return a completed Class Year Interconnection Facilities Study Agreement pursuant to Section 30.8.1 of Attachment X to the OATT, either:

(1) demonstrate that the Developer has obtained for the Project (a) a New York State Energy Research and Development Authority (“NYSERDA”) Renewable Portfolio Standard agreement, (b) a NYSERDA Renewable Energy Certificate agreement (c) a NYSERDA Market Acceleration Incentive agreement, or (d) a power purchase agreement for the full output of the Large Facility; or

(2) submit a two-part deposit consisting of $100,000, and $3,000/MW for the requested ERIS of the Large Facility, or the requested ERIS of one or more Generators in a multi-unit Large Facility, for which the Project has not (1) obtained a NYSERDA or power purchase agreements specified above; or (2) satisfied a regulatory milestone set forth in Section 25.6.2.3.1 (*e.g.*, for a Co-located Storage Resource for which the Developer has only satisfied the regulatory milestone for the Energy Storage Resource but not the Intermittent Power Resource, the Developer may submit $100,000 and $3,000/MW for the requested ERIS of the Intermittent Power Resource).

The $100,000 portion of the deposit submitted pursuant to subsection (ii)(2) of this Section 25.6.2.3.1 will be fully refundable if, within twelve months after the Class Year Start Date or the Operating Committee’s approval of the Class Year Study, whichever occurs first, the Developer satisfies an applicable regulatory milestone and provides the ISO with adequate documentation that the Large Facility has satisfied an applicable regulatory milestone. The $3,000/MW deposit will be fully refundable upon the earlier of (a) the Large Facility’s satisfaction of an applicable regulatory milestone; (b) the Large Facility’s withdrawal from the Class Year Study, to the extent permitted by this Attachment S and by Attachment X to the ISO OATT; (c) the Large Facility’s rejection of its Project Cost Allocation for System Upgrade Facilities in a Class Year Study; (d) the Large Facility’s withdrawal from the ISO’s interconnection queue; or (e) the Large Facility’s acceptance of its Project Cost Allocation and posting of Security for System Upgrade Facilities in a Class Year Study. Upon a Large Facility’s withdrawal from the ISO’s interconnection queue, the $3,000/MW deposit will be fully refundable with interest actually earned. For Class Year 2019, the $3,000/MW deposit will be fully refundable for Projects that satisfy (ii)(1) of this Section 25.6.2.3.1. on or before March 1, 2020. The requirements set forth in this Section 25.6.2.3.1 do not apply to Projects that elect to enter a Class Year Study solely for the purpose of requesting CRIS.

25.6.2.3.1.1 The Developer must obtain or achieve at least one of the regulatory determinations or actions for the Large Facility, including all Generators for a multi-unit Large Facility, described in this Section 25.6.2.3.1.1. To satisfy the regulatory milestone, an applicable regulatory body (*e.g*., local, state, or federal) must determine that the permitting application submitted to site and construct the Large Facility is complete, as described below:

25.6.2.3.1.1.1 In connection with the Large Facility’s air or water permit application, either (i) a notice of determination of completeness mailed to the applicant by the New York State Department of Environmental Conservation (“DEC”) pursuant to 6 NYCRR § 621.6(c), as may be amended from time to time, or public notice of a complete application in the Environmental Notice Bulletin, or (ii) in the absence of such notices, a demonstration that the permit application is deemed to be complete pursuant to 6 NYCRR § 621.6(h), as may be amended from time to time.

25.6.2.3.1.1.2 A negative declaration issued for the Large Facility pursuant to the New York State Environmental Quality Review Act (“SEQRA”) by (i) the lead agency if the review is conducted in a coordinated manner or (ii) one of the involved agencies if the review is conducted in an uncoordinated manner pursuant to the implementing regulations for SEQRA in [the New York Codes, Rules and Regulations (“NYCRR”) at 6 NYCRR Part 617.6](https://govt.westlaw.com/nycrr/Browse/Home/NewYork/NewYorkCodesRulesandRegulations?guid=Ifb3e6cb0b5a011dda0a4e17826ebc834&originationContext=documenttoc&transitionType=Default&contextData=%28sc.Default%29" \t "_blank)(b)(4), as amended from time to time.

25.6.2.3.1.1.3 Under SEQRA, either (i) a determination by the lead agency, documented in minutes or other official records, that the Draft Environmental Impact Statement for the Large Facility is adequate for public review, (ii) a notice of completion of a Draft Environmental Impact Statement for the project issued by the lead agency pursuant to SEQRA, or (iii) public notice of completion in the Environmental Notice Bulletin.

25.6.2.3.1.1.4 A determination pursuant to Article VII that the Article VII application filed for the Class Year Transmission Project or for a transmission portion of the Large Facility is in compliance with Public Service Law §122.

25.6.2.3.1.1.5 A Notice of Availability of a Draft Environmental Impact Statement for the Large Facility filed with the U.S. Environmental Protection Agency pursuant to the National Environmental Policy Act of 1969 (“NEPA”) and its implementing regulations.

25.6.2.3.1.1.6 A final Finding of No Significant Impact for the project issued by the lead agency pursuant to NEPA and its implementing regulations.

25.6.2.3.1.1.7 For a Large Generator that is larger than 25 MW, a determination pursuant to Article 10 of the Public Service Law that the Article 10 application filed for the Large Generator is in compliance with Public Service Law § 164.

25.6.2.3.1.1.8 For a Large Generator, a determination pursuant to Section 94-C(5)(b) of the Executive Law that an application filed for a major renewable energy facility is deemed complete.

25.6.2.3.1.1.9 For a Large Generator that is an offshore wind facility on the outer continental shelf, a construction and operations plan deemed sufficient by the Bureau of Ocean Energy Management for which the Bureau of Ocean Energy Management has issued a Notice of Intent to prepare a Draft Environmental Impact Statement for the Large Facility in accordance with the U.S. Environmental Protection Agency pursuant to the National Environmental Policy Act of 1969 (“NEPA”) and its implementing regulations.

25.6.2.3.1.1.10 For a Large Facility with Attachment Facilities, System Upgrade Facilities or System Deliverability Upgrades that require an Article VII application, a determination pursuant to Article VII that the Article VII application is in compliance with Public Service Law §122.

25.6.2.3.1.2 A Large Facility located outside New York State will satisfy the regulatory milestone by achieving Section 25.6.2.3.1.1.5 or 25.6.2.3.1.1.6, above, or by satisfying a milestone comparable to that specified in Section 25.6.2.3.1.1.1 through 25.6.2.3.1.1.4, above, under applicable permitting laws.

25.6.2.3.1.3 In the event that none of the permitting processes referred to in Section 25.6.2.3.1.1 and 25.6.2.3.1.2 apply to the Large Facility, the Large Facility will be considered to have satisfied the regulatory milestone and will qualify for Class Year entry as of the date the Operating Committee approved the Large Facility’s Interconnection System Reliability Impact Study.

25.6.2.3.1.4 After a Large Facility’s Interconnection System Reliability Impact Study is approved by the Operating Committee and until the ISO confirms that the Large Facility has satisfied the regulatory milestone, the Developer must inform the ISO upon request, whether or not the Large Facility has satisfied the regulatory milestone described above. A project Developer must inform the ISO within ten (10) Business Days of the ISO’s request for such information.

25.6.2.3.2 A project must satisfy the applicable regulatory milestone in Section 25.6.2.3.1.1, above, within six (6) months after the date the ISO tenders to the project Developer the Standard Large Generator Interconnection Agreement for the project pursuant to Section 30.11.1 of Attachment X to the ISO OATT.

25.6.2.3.3 If a project fails to satisfy the regulatory milestone within the time period set forth in Section 25.6.2.3.2 of this Attachment S, the Interconnection Request of the project will be deemed to be withdrawn in accordance with Section 30.3.6 of the Large Facility Interconnection Procedures contained in Attachment X.

25.6.2.3.4 Once a project has an Operating Committee-approved SRIS or the ISO has determined the project is required to enter a Class Year Study pursuant to Attachment Z, then the project may enter up to two, but no more than two, of the next three consecutive Class Year Studies. The first Class Year with a Class Year Start Date after the date the Operating Committee approves a project’s Interconnection System Reliability Impact Study will count as the first of the three consecutive Class Year Studies. For purposes of this Section 25.6.2.3.4, a Class Year that a project enters and from which it later withdraws for ERIS evaluation pursuant to Section 25.7.7.1 or 25.6.2.3.3 of this Attachment S or Section 30.8.1.2 of Attachment X, counts as one of the two Class Years a project may enter.

25.6.2.3.4.1 Except as provided in Section 25.6.2.3.4.3, the project must accept its System Upgrade Facilities cost allocation and post required security for Energy Resource Interconnection Service from a Class Year ATRA that is no later than the first to occur of either (i) the second Class Year ATRA the project enters, or (ii) the third consecutive Class Year that starts after the project satisfies the eligibility criteria for inclusion in the Class Year ATRA. If the project fails to accept its System Upgrade Facilities cost allocation and post security by this deadline, the Interconnection Request of the project will be deemed to be withdrawn in accordance with Section 30.3.6 of the Large Facility Interconnection Procedures contained in Attachment X.

25.6.2.3.4.2 Except as provided in Section 25.6.2.3.4.3, below, if a project has not accepted its System Upgrade Facilities cost allocation and posted required security for Energy Resource Interconnection Service from either the first or second Class Year that starts after the project satisfies the eligibility criteria for inclusion in the Class Year ATRA and has not entered both the first and second such Class Year ATRA, then the project must enter the third Class Year ATRA (by satisfying the Class Year entry requirements set forth in Section 25.5.9 of this Attachment S and Section 30.8.1 of Attachment X). If the developer fails to do so within the timeframes specified in Attachments X or Z, as applicable, the Interconnection Request of the project will be deemed to be withdrawn in accordance with Section 30.3.6 of the Large Facilities Interconnection Procedures contained in Attachment X.

25.6.2.3.4.3 A project that was a member of a completed Class Year but did not accept its System Upgrade Facilities cost allocation and post any required security as of January 17, 2010 will be able to enter any one of the three consecutive Class Year ATRAs starting after that date. If the project enters one of these Class Year ATRAs and fails to accept its System Upgrade Facilities cost allocation and post required security, the Interconnection Request of the project will be deemed to be withdrawn in accordance with Section 30.3.6 of the Large Facility Interconnection Procedures. If the project has not entered either the first or second such Class Year, then the project must enter the third Class Year ATRA (by satisfying the Class Year entry requirements set forth in Section 25.5.9 of this Attachment S and Section 30.8.1 of Attachment X). If the Developer fails to do so within the timeframes specified in Attachments X or Z, as applicable, the Interconnection Request of the project will be deemed to be withdrawn in accordance with Section 30.3.6 of the Large Facilities Interconnection Procedures.

25.6.2.4 The Annual Transmission Reliability Assessment will update Interconnection System Reliability Impact Study results in accordance with the Class Year Interconnection Facilities Study procedures in Section 30.8 of the Large Facility Interconnection Procedures in Attachment X to the ISO OATT.

25.6.2.5 For Projects included in each Annual Transmission Reliability Assessment, the Interconnection System Reliability Impact Study updated results will specify the impact of each project in the Class Year on the reliability of the transmission system, that is, the pro rata contribution of each project in the Class Year to each individual System Upgrade Facilities identified in the updates.

25.6.2.5.1 In the case of a new System Upgrade Facility that has a functional capacity not readily measured in amperes or other discrete electrical units, such as a System Upgrade Facility dedicated to system protection, the pro rata impact of each project in the Class Year on the reliability of the transmission system will be based upon the number of Projects in the Class Year contributing to the need for the new System Upgrade Facility. The pro rata impact of each project in the Class Year needing such a new System Upgrade Facility will be equal. Accordingly, the pro rata contribution of each of the Projects to the need for the new System Upgrade Facility will be equal to (1/a), where “a” is the total number of Projects in the Class Year needing the new System Upgrade Facility.

25.6.2.5.2 In the case of a new System Upgrade Facility that has a capacity readily measured in amperes or other discrete electrical units, the impact of each project in the Class Year will be stated in terms of its pro rata contribution to the total electrical impact on each individual System Upgrade Facility in the Class Year of all Projects that have at least a *de minimus* impact, as described in Section 25.6.2.6.1 of these rules. The contribution to electrical impact will be measured in various ways depending on the nature of the transmission problem primarily causing the need for the individual System Upgrade Facility.

25.6.2.5.2.1 Contribution to short circuit current for interrupting duty beyond the rating of equipment.

25.6.2.5.2.2 Contribution to MW loading on the critical element for thermal overloads under the test conditions that cause the need for a System Upgrade Facility. MW contribution will be calculated by multiplying the associated distribution factor by the declared maximum MW of the project. The distribution factor is calculated by pro rata displacement of New York System load by the added generation.

25.6.2.5.2.3 Contribution to voltage drop on the most critical bus for voltage problems. A critical bus will be defined as representative for voltage conditions during a specific contingency. The pro rata impact of each project is measured as the ratio of the voltage drop at the critical bus caused by the project when none of the other Projects are represented, to the voltage drop at the critical bus when all of the Projects in the Class Year are represented.

25.6.2.5.2.4 Contribution to transient stability problems as measured by the fault current calculated for the most critical stability test that is causing the need for the System Upgrade Facility.

25.6.2.6 For each individual electrical impact standard listed in subsections 6.(a)(1) through 6.(a)(4) below, a Developer will not be responsible for the cost associated with a corresponding System Upgrade Facility if its project’s contribution is less than the *de minimus* impacts defined below. The costs of Projects that would otherwise have been allocated to certain Developer’s Projects but for the sub-*de minimus* impact exemption, shall be allocated 100 percent to the other Developers in the Class Year according to their pro rata contribution.

25.6.2.6.1 *De minimus* impact is defined in terms of any one of the factors listed below in this subsection. Examples of computations used to determine *de minimus* impact are shown in ISO Procedures.

25.6.2.6.1.1 **Short Circuit Contribution**: Equal to or greater than 100 amperes of the existing rating of the equipment that needs to be replaced.

25.6.2.6.1.2 **Thermal Loadings**: Equal to or greater than 10 MW on the most limiting monitored element under the most critical contingency that is causing the need for transmission improvements.

25.6.2.6.1.3 **Voltage Effects**: Equal to or greater than 2% of the voltage drop occurring with all Class Year Projects at the most critical bus.

25.6.2.6.1.4 **Stability Effects**: Equal to or greater than 100 amperes of the fault current for the most critical stability test that is causing the need for the System Upgrade Facility.

25.6.2.7 The pro rata contribution of each project in the Class Year to each of the System Upgrade Facilities identified in the Annual Transmission Reliability Assessment.

25.6.2.7.1 First, in accordance with Section 25.6.1.5 of these rules, the total cost of System Upgrade Facilities identified in the Annual Transmission Reliability Assessment is compared and netted with the total cost of System Upgrade Facilities identified in the Annual Transmission Baseline Assessment. If the total cost of System Upgrade Facilities identified in the Annual Transmission Reliability Assessment does not exceed the total cost of System Upgrade Facilities identified in the Annual Transmission Baseline Assessment, then there is no cost to be allocated among Class Year Developers.

25.6.2.7.2 If the total cost of System Upgrade Facilities identified in the Annual Transmission Reliability Assessment does exceed the total cost of System Upgrade Facilities identified in the Annual Transmission Baseline Assessment by some amount, then this amount (“Overage Cost”) is a cost to be allocated among Class Year Developers. Appendix One to this Attachment S sets out an example of an allocation of Overage Cost among Class Year Developers.

25.6.2.7.3 The Overage Cost represents a percentage of the total cost of System Upgrade Facilities identified in the Annual Transmission Reliability Assessment (“Overage Cost Percentage”).

25.6.2.7.4 Each System Upgrade Facility identified in the Annual Transmission Reliability Assessment has a cost specified for it in the Annual Transmission Reliability Assessment.

25.6.2.7.5 The pro rata contribution of each project in the Class Year to a System Upgrade Facility identified in the Annual Transmission Reliability Assessment represents a percentage contribution to the need for that System Upgrade Facility (“Contribution Percentage”).

25.6.2.7.6 An individual Developer’s pro rata responsibility for the cost of each System Upgrade Facility identified in the Annual Transmission Reliability Assessment is the product of (a) the Overage Cost Percentage; (b) the Developer’s Contribution Percentage for the particular System Upgrade Facility; and (c) the cost of the particular System Upgrade Facility as specified in the Annual Transmission Reliability Assessment.

25.6.2.7.7 If the least cost solution identified is to install one System Upgrade Facility (*e.g.*, a series reactor) rather than replacing a number of System Upgrade Facilities (*e.g.*, breakers), the ISO staff will determine each Developer’s Contribution Percentage by calculating what each Developer’s pro rata contribution would have been on the System Upgrade Facilities not replaced (*e.g.,* breakers) and applying that percentage to the System Upgrade Facility that is installed (*e.g.,* series reactor).

25.7 Deliverability Studies and Cost Allocation Methodology for CRIS

25.7.1 Class Year Deliverability Study and Non-Class Year Expedited Deliverability Study

A Developer requesting CRIS for a Project larger than 2 MW may elect to enter either a Class Year Study or an Expedited Deliverability Study; provided however, a Developer may not be evaluated in both studies simultaneously (i.e., a Developer with CRIS being evaluated in a Class Year Study may not enter an Expedited Deliverability Study for evaluation of the same CRIS request until the Class Year Study has completed. A Developer with CRIS being evaluated in an Expedited Deliverability Study may not enter a Class Year Study for evaluation of the same CRIS request until the Expedited Deliverability Study has completed). A Class Year Study deliverability evaluation first evaluates whether a Project satisfies the NYISO Deliverability Interconnection Standard at its full amount of requested CRIS. If a Project is not deliverable for its full amount of requested CRIS, the Class Year Study proceeds to identify and cost allocate System Deliverability Upgrades required to make the Project fully deliverable for the full amount of requested CRIS. An Expedited Deliverability Study only evaluates whether a Project satisfies the NYISO Deliverability Interconnection Standard at its full amount of requested CRIS; it does not identify or cost allocate System Deliverability Upgrades. A Developer evaluated in an Expedited Deliverability Study and deemed undeliverable at its full amount of requested CRIS may (1) enter the next Open Class Year Study to obtain a Project Cost Allocation for required System Deliverability Upgrades; or (2) enter into a subsequent Expedited Deliverability Study or Class Year Study with the same or different CRIS request.

25.7.1.1 Cost Allocation Among Developers in a Class Year

Each Project in a Class Year Deliverability Study (“Class Year CRIS Project”) will share in the then currently available deliverability capability of the New York State Transmission System, and will also share in the cost of any System Deliverability Upgrades required for its Project to qualify for CRIS at the requested level. The total cost of the System Deliverability Upgrades required for all the Projects in the Class Year will be allocated among the Projects in the Class Year based on the pro rata impact of each Class Year CRIS Project on the deliverability of the New York State Transmission System, that is, the pro rata contribution of each Project in the Class Year Deliverability Study to the total cost of each of the System Deliverability Upgrades identified in the Class Year Deliverability Study. In addition to this allocation of cost responsibility for System Deliverability Upgrades among the Projects in a Class Year, the cost of certain Highway System Deliverability Upgrades will be shared with Load Serving Entities and subsequent Developers, as described below in Section 25.7.12 of these rules.

25.7.1.2 Expedited Deliverability Study

The Expedited Deliverability Study shall be performed concurrently for all Projects that meet the entry requirements set forth in Section 25.5.9.2.1 of this Attachment S as a combined Expedited Deliverability Study.

25.7.2 Categories of transmission facilities

For purposes of applying the NYISO Deliverability Interconnection Standard, transmission facilities comprising the New York State Transmission System will be categorized as either Byways or Highways or Other Interfaces.

25.7.2.1 Byways

The Developer of a Class Year CRIS Project will pay its pro rata share of one hundred percent (100%) of the cost of the System Deliverability Upgrades to any Byway needed to make the Class Year CRIS Project deliverable in accordance with these rules. The System Deliverability Upgrades on the Byway or Byways will be identified by the ISO, with input from the Connecting Transmission Owner and from the Affected Transmission Owner(s), in the Class Year Deliverability Study.

 The Transmission Owner(s) responsible for constructing a System Deliverability Upgrade on a Byway shall request Incremental TCCs with respect to the System Deliverability Upgrade in accordance with the requirements of Section 19.2.4 of Attachment M of the ISO OATT. A Developer paying to upgrade a Byway will receive the right to accept any Incremental TCCs awarded by the ISO in proportion to its contribution to the total cost of the System Deliverability Upgrade. The ISO shall round any non-whole MW quantities to a whole number of Incremental TCCs in a manner that ensures that the sum of all individual allocations to eligible entities is equal to the total number of Incremental TCCs awarded to the System Deliverability Upgrade; provided, however, that a Developer will not be entitled to receive any Incremental TCCs if the whole number value determined by the ISO for the Developer’s proportionate share is zero. If a Developer elects to accept its proportionate share of any Incremental TCCs resulting from the System Deliverability Upgrade, the Developer shall be the Primary Holder of such Incremental TCCs. If a Developer declines an award of its proportionate share of any Incremental TCCs resulting from the System Deliverability Upgrade, or subsequently terminates the Incremental TCCs it elected to receive in accordance with Section 19.2.4.9 of Attachment M of the ISO OATT, the declined or terminated Incremental TCCs will be deemed reserved to the extent necessary to facilitate the potential for transfers to subsequent Developers that pay for the use of Headroom pursuant to this Attachment S on a System Deliverability Upgrade that has been awarded Incremental TCCs. Incremental TCCs that are declined or terminated by a Developer and not otherwise deemed reserved will be deemed permanently terminated. Incremental TCCs related to a System Deliverability Upgrade that were previously deemed reserved as a result of prior declination or termination will be deemed permanently terminated when the Headroom on the System Deliverability Upgrade ceases to exist or is otherwise reduced to zero in accordance with Section 25.8.7.4 of this Attachment S.

A Developer paying to upgrade a Byway will be eligible to receive Headroom payments in accordance with these rules. A subsequent Developer paying for use of Headroom on a System Deliverability Upgrade on a Byway will be entitled to receive Incremental TCCs, to the extent Incremental TCCs have been awarded by the ISO for the System Deliverability Upgrade, in proportion to its contribution to the total cost of the System Deliverability Upgrade, as determined based on its required Headroom payments. The ISO shall round any non-whole MW quantities to a whole number of Incremental TCCs in a manner that ensures that the sum of all individual allocations to eligible entities is equal to the total number of Incremental TCCs awarded to the System Deliverability Upgrade; provided, however, that a subsequent Developer will not be entitled to receive any Incremental TCCs if the whole number value determined by the ISO for the subsequent Developer’s proportionate share is zero. If a Developer that initially paid for a System Deliverability Upgrade on a Byway elected to receive its proportionate share of any Incremental TCCs related to the System Deliverability Upgrade and continues to hold such Incremental TCCs, any Incremental TCCs that a subsequent Developer is eligible to receive will be made available by reducing the Incremental TCCs related to the System Deliverability Upgrade held by the Developer that initially paid for the System Deliverability Upgrade in proportion to the Headroom payments received by such Developer from the subsequent Developer making such Headroom payments. If a Developer that initially paid for a System Deliverability Upgrade on a Byway declined to receive its proportionate share of any Incremental TCCs related to the System Deliverability Upgrade or subsequently terminated the Incremental TCCs it elected to receive, any Incremental TCCs that a subsequent Developer is eligible to receive will be made available from the Incremental TCCs related to the System Deliverability Upgrade that were previously deemed reserved as a result of prior declination or termination in proportion to the Headroom payments received by the Developer that initially paid for the System Deliverability Upgrade from the subsequent Developer making such Headroom payments. If a subsequent Developer elects to accept its proportionate share of any Incremental TCCs, the subsequent Developer shall be the Primary Holder of such Incremental TCCs; provided, however, that Incremental TCCs that were previously deemed reserved and are transferred to a subsequent Developer will become effective on the first day of the Capability Period that commences following the next Centralized TCC Auction conducted after the subsequent Developer makes the necessary Headroom payment and elects to receive its proportionate share of Incremental TCCs. If a subsequent Developer declines an award of its proportionate share of any Incremental TCCs resulting from its Headroom payments, or subsequently terminates the Incremental TCCs it elected to receive in accordance with Section 19.2.4.9 of Attachment M of the ISO OATT, the declined or terminated Incremental TCCs will be deemed permanently terminated.

Any Incremental TCCs resulting from a System Deliverability Upgrade on a Byway, regardless of the Primary Holder thereof, may not be sold or transferred through a Centralized TCC Auction, Reconfiguration Auction or the Secondary Market.

25.7.2.2 Highways

The Developer of a Class Year CRIS Project will pay an allocated share of the cost of the System Deliverability Upgrades to any Highway needed to make the Class Year Project deliverable in accordance with these rules. The System Deliverability Upgrades on the Highway or Highways, and the Developer’s allocated share of the cost of those System Deliverability Upgrades, will be identified by the ISO, with input from the Connecting Transmission Owner and from the Affected Transmission Owner(s), in the Class Year Deliverability Study.

The Transmission Owner(s) responsible for constructing a Highway System Deliverability Upgrade shall request Incremental TCCs with respect to the Highway System Deliverability Upgrade in accordance with the requirements of Section 19.2.4 of Attachment M of the ISO OATT. A Developer paying for Highway System Deliverability Upgrades will receive the right to accept any Incremental TCCs awarded by the ISO, in proportion to its contribution to the to the total cost of the Highway System Deliverability Upgrade. The ISO shall round any non-whole MW quantities to a whole number of Incremental TCCs in a manner that ensures that the sum of all individual allocations to eligible entities is equal to the total number of Incremental TCCs awarded to the Highway System Deliverability Upgrade; provided, however, that a Developer will not be entitled to receive any Incremental TCCs if the whole number value determined by the ISO for the subsequent Developer’s proportionate share is zero. If a Developer elects to accept its proportionate share of any Incremental TCCs resulting from the Highway System Deliverability Upgrade, the Developer shall be the Primary Holder of such Incremental TCCs. If a Developer declines an award of its proportionate share of any Incremental TCCs resulting from the Highway System Deliverability Upgrade, or subsequently terminates the Incremental TCCs it elected to receive in accordance with Section 19.2.4.9 of Attachment M of the ISO OATT, the declined or terminated Incremental TCCs will be deemed reserved to the extent necessary to facilitate the potential for transfers to subsequent Developers that pay for the use of Headroom pursuant to this Attachment S on a Highway System Deliverability Upgrade that has been awarded Incremental TCCs. Incremental TCCs that are declined or terminated by a Developer and not otherwise deemed reserved will be deemed permanently terminated. Incremental TCCs related to a Highway System Deliverability Upgrade that were previously deemed reserved as a result of prior declination or termination will be deemed permanently terminated when the Headroom on the Highway System Deliverability Upgrade ceases to exist or is otherwise reduced to zero in accordance with Section 25.8.7.4 of this Attachment S.

The Transmission Owner(s) responsible for constructing a Highway System Deliverability Upgrade shall also be awarded, and be the Primary Holder of, any Incremental TCCs related to the portion of a Highway System Deliverability Upgrade funded by Load Serving Entities pursuant to Section 25.7.12 of this Attachment S, in proportion to the contribution of the Load Serving Entities to the to the total cost of the Highway System Deliverability Upgrade. The ISO shall round any non-whole MW quantities to a whole number of Incremental TCCs in a manner that ensures that the sum of all individual allocations to eligible entities is equal to the total number of Incremental TCCs awarded to the Highway System Deliverability Upgrade; provided, however, that no Incremental TCCs will be awarded to the Transmission Owner(s) responsible for constructing a Highway System Deliverability Upgrade for the portion of a Highway System Deliverability Upgrade funded by Load Serving Entities if the whole number value determined by the ISO for the Load Serving Entities’ proportionate share is zero.

A Developer paying for a Highway System Deliverability Upgrade will be eligible to receive Headroom payments in accordance with these rules to the extent that it pays for System Deliverability Upgrade capacity in excess of that required to provide the requested level of CRIS and Load Serving Entities have not funded a portion of the costs of the Highway System Deliverability Upgrade pursuant to Section 25.7.12 of this Attachment S. If Load Serving Entities have funded a portion of a Highway System Deliverability Upgrade pursuant to Section 25.7.12 of this Attachment S, the Transmission Owner(s) responsible for constructing the Highway System Deliverability Upgrade will be eligible to receive any and all Headroom payments related to the System Deliverability Upgrade in accordance with these rules on behalf, and for the benefit, of the Load Serving Entities that funded a portion of the System Deliverability Upgrade.

A subsequent Developer paying for use of Headroom on System Deliverability Upgrades will be entitled to receive Incremental TCCs, to the extent Incremental TCCs have been awarded by the ISO for the System Deliverability Upgrade, in proportion to its contribution to the total cost of the Highway System Deliverability Upgrade, as determined based on its required Headroom payments. The ISO shall round any non-whole MW quantities to a whole number of Incremental TCCs in a manner that ensures that the sum of all individual allocations to eligible entities is equal to the total number of Incremental TCCs awarded to the Highway System Deliverability Upgrade; provided, however, that a subsequent Developer will not be entitled to receive any Incremental TCCs if the whole number value determined by the ISO for the Developer’s proportionate share is zero. If: (i) a Developer that initially paid for a Highway System Deliverability Upgrade paid for capacity in excess of that required to provide its requested level of CRIS; (ii) Load Serving Entities have not funded a portion of the costs of the Highway System Deliverability Upgrade pursuant to Section 25.7.12 of this Attachment S; and (iii) the Developer elected to receive its proportionate share of any Incremental TCCs related to the System Deliverability Upgrade and continues to hold such Incremental TCCs, any Incremental TCCs that a subsequent Developer is eligible to receive will be made available by reducing the Incremental TCCs related to the System Deliverability Upgrade held by the Developer that initially funded the System Deliverability Upgrade in proportion to the Headroom payments received by such Developer from the subsequent Developer making such Headroom payments. If: (i) a Developer that initially paid for a Highway System Deliverability Upgrade paid for capacity in excess of that required to provide its requested level of CRIS; (ii) Load Serving Entities have not funded a portion of the costs of the Highway System Deliverability Upgrade pursuant to Section 25.7.12 of this Attachment S; and (iii) the Developer declined to receive its proportionate share of any Incremental TCCs related to the System Deliverability Upgrade or subsequently terminated the Incremental TCCs it elected to receive, any Incremental TCCs that a subsequent Developer is eligible to receive will be made available from the Incremental TCCs related to the System Deliverability Upgrade that were previously deemed reserved as a result of prior declination or termination in proportion to the Headroom payments received by the Developer that initially paid for the System Deliverability Upgrade from the subsequent Developer making such Headroom payments. If Load Serving Entities have funded a portion of a Highway System Deliverability Upgrade pursuant to Section 25.7.12 of this Attachment S, any Incremental TCCs that a subsequent Developer is eligible to receive will be made available by reducing the Incremental TCCs related to the System Deliverability Upgrade held by the Transmission Owner(s) responsible for constructing the System Deliverability Upgrade. If a subsequent Developer elects to accept its proportionate share of any Incremental TCCs, the subsequent Developer shall be the Primary Holder of such Incremental TCCs; provided, however, that Incremental TCCs that were previously deemed reserved and are transferred to a subsequent Developer will become effective on the first day of the Capability Period that commences following the next Centralized TCC Auction conducted after the subsequent Developer makes the necessary Headroom payment and elects to receive its proportionate share of Incremental TCCs. If a subsequent Developer declines an award of its proportionate share of any Incremental TCCs resulting from its Headroom payments, or subsequently terminates the Incremental TCCs it elected to receive in accordance with Section 19.2.4.9 of Attachment M of the ISO OATT, the declined or terminated Incremental TCCs will be deemed permanently terminated.

Any Incremental TCCs resulting from a Highway System Deliverability Upgrade, regardless of the Primary Holder thereof, may not be sold or transferred through a Centralized TCC Auction, Reconfiguration Auction or the Secondary Market.

25.7.2.3 Other Interfaces

If the Class Year CRIS Project degrades the transfer capability of any one of the Other Interfaces below the transfer capability identified in the current ATBA, then the Developer will pay its pro rata share of one hundred percent (100%) of the cost of the System Deliverability Upgrades needed to restore the transfer capability of the Other Interfaces degraded by its proposed Project to what the transfer capability of those Other Interfaces would have been without its Project, as that transfer capability was measured in the current ATBA. Where two or more Projects would cause degradation of an Other Interface’s transfer capability, the cost of the necessary System Deliverability Upgrades to restore the original transfer capability of the interface shall be shared on a pro rata basis, based on the MW of degradation that each Project would cause.

25.7.3 Capacity Regions

The deliverability test will be applied within each of the four (4) Capacity Regions: (1) Rest of State (i.e., Load Zones A through F); (2) Lower Hudson Valley (i.e., Load Zones G, H and I); (3) New York City (i.e., Load Zone J); and (4) Long Island (i.e., Load Zone K). To be declared deliverable a generator or Class Year Transmission Project must only be deliverable, at its requested CRIS MW, throughout the Capacity Region in which the Project is interconnected or is interconnecting, or, if requesting External-to-ROS Deliverability Rights, throughout the Rest of State Capacity Region. For example, starting with Class Year 2012, a proposed generator or Class Year Transmission Project interconnecting in the Rest of State Capacity Region (i.e., Load Zones A-F) will be required to demonstrate deliverability throughout the Rest of State Capacity Region (i.e., Load Zones A-F), but will not be required to demonstrate deliverability to or within any of the following Capacity Regions: Lower Hudson Valley (i.e., Load Zones G, H and I); New York City (i.e., Load Zone J); or Long Island (i.e., Load Zone K).

25.7.4 Participation in Capacity Markets

A Developer, in order to be eligible to become an Installed Capacity Supplier or receive Unforced Capacity Deliverability Rights or External-to-ROS Deliverability Rights, must obtain CRIS pursuant to the procedures set forth in this Attachment S. A Developer must enter a Class Year Deliverability Study or Expedited Deliverability Study in order to obtain CRIS, unless otherwise provided for in this Attachment S. The MW amount of CRIS requested by a Developer, stated in MW of Installed Capacity (“ICAP”), cannot exceed the MW levels specified in Sections 25.8.1 of this Attachment S. All requests for CRIS must be in tenths of a MW. The ISO will perform the Class Year Deliverability Study and Expedited Deliverability Study in accordance with these rules and with input of Market Participants, to determine the deliverability of the Projects requesting CRIS in each study. The Expedited Deliverability Study will only determine the extent to which the Project is deliverable at the full amount of requested CRIS. The Class Year Deliverability Study will determine deliverability at the full amount of requested CRIS and, if not deliverable, will identify and allocate the cost of the System Deliverability Upgrades needed to make deliverable each Class Year CRIS Project. In order to be eligible to become an Installed Capacity Supplier or receive Unforced Capacity Deliverability Rights or External-to-ROS Deliverability Rights, a Developer must be found fully deliverable at the requested CRIS level in an Expedited Deliverability Study or, in a Class Year Study, either (1) accept its deliverable MW in a Class Year Study or Expedited Deliverability Study; or (2) fund or commit to fund, in accordance with these rules, the System Deliverability Upgrades needed for its Project to be deliverable at the requested level of CRIS.

25.7.5 The Pre-Existing System

Where the Existing System Representation demonstrates deliverability issues, a Developer electing CRIS need only address the incremental deliverability of its CRIS request, not the deliverability of the pre-existing system depicted in the Existing System Representation. Likewise, Transmission Owners will not be responsible for curing any pre-existing issues related to the deliverability of generators.

25.7.6 CRIS Values

Through a Class Year Study, a Developer may elect no CRIS, partial CRIS, or full CRIS for its Project by satisfying the applicable sections of this Attachment S. Through an Expedited Deliverability Study, a Developer may elect CRIS or partial CRIS to the extent its requested CRIS is deliverable pursuant to the NYISO Deliverability Interconnection Standard.

Each Project qualifying for CRIS will have two CRIS values per Project: one for the Summer Capability Period and one for the Winter Capability Period. For Projects comprised of multiple Generators, the Project’s CRIS, subject to the maximum permissible requested CRIS pursuant to Section 25.8.1 of this Attachment S, shall be allocated among the multiple Generators, and shall be allocated among the multiple Generators, as requested by Developer (to the extent permissible under Section 25.8.1 of this Attachment S). The Project’s CRIS and allocation of CRIS among its units, as applicable, will be specified by ISO in the Class Year Deliverability Study report approved by the ISO Operating Committee.

The Project’s CRIS value for the Summer Capability Period will be set using the deliverability test methodology and procedures described below. Through the Winter Capability Period 2017/2018, the Project’s CRIS value for the Winter Capability Period will be set at a value that will maintain the same proportion of CRIS to ERIS as the Project has for the Summer Capability Period. For Winter Capability Periods beyond 2017/2018, the Project’s CRIS value for the Winter Capability Period will be determined by the applicable process below:

25.7.6.1 Winter CRIS will be calculated as follows:

Winter CRIS MW = (Summer CRIS MW x Maximum Net Output at 10 degrees Fahrenheit)/Maximum Net Output at 90 degrees Fahrenheit

Where:

Maximum Net Output at 10 degrees Fahrenheit = the Project’s maximum net output at 10 degrees Fahrenheit determined pursuant to the Project’s ISO-approved temperature curve; and

Maximum Net Output at 90 degrees Fahrenheit = the Project’s maximum net output at 90 degrees Fahrenheit determined pursuant to the Project’s ISO-approved temperature curve.

25.7.6.1.1 For facilities with Summer CRIS as of December 16, 2017, the following additional provision applies: For such facilities for which there is an ISO-accepted temperature curve used for determining the Project’s DMNC, Winter CRIS will be calculated using such temperature curve, provided the capability represented by the curve does not exceed the Project’s ERIS. For facilities for which there is not an ISO-accepted temperature curve used for determining the Project’s DMNC, Winter CRIS will be set equal to the Project’s Summer CRIS unless the Project provides a temperature curve to the ISO by December 16, 2017, that the ISO subsequently determines is acceptable.

25.7.6.1.2 For facilities first obtaining Summer CRIS on or after December 16, 2017, the Winter CRIS will be determined using the most recent temperature curve provided to and accepted by the ISO, either during the interconnection process or at the time the Summer CRIS is first obtained.

25.7.6.2 Upon an increase to a Project’s Summer CRIS pursuant to a permissible increase in Summer CRIS under Section 25.9.4 of this Attachment S, Attachment X, Section 30.3.2.6 or Attachment Z, Section 32.4.11.1 (increases in CRIS not requiring a Class Year Study) or pursuant to an increase in Summer CRIS evaluated in a Class Year Study for which a Developer accepts its Project Cost Allocation for System Deliverability Upgrades and posts Security therefore (if applicable) or accepts its Deliverable MWs, the Winter CRIS will be determined using the formula set forth in Section 25.7.6 (i), wherein the Summer CRIS MW will be the increased Summer CRIS MW.

25.7.7 Deliverability Study Procedures

25.7.7.1 Class Year Deliverability Study Procedures

The ISO staff will conduct the Class Year Deliverability Study, as described in these rules, in cooperation with Market Participants. No Market Participant will have decisional control over any determinative aspect of the Class Year Deliverability Study. The ISO and its staff will have decisional control over the entire Class Year Deliverability Study. If, at any time, the ISO staff decides that it needs specific expert services from entities such as Market Participants, consultants or engineering firms for it to conduct the Class Year Deliverability Study, then the ISO will enter into appropriate contracts with such entities for such input. The ISO shall utilize existing studies to the extent practicable when it performs the study, including but not limited to SRIS deliverability analyses performed pursuant to Section 30.7.3.2 and 30.7.4.2 of Attachment X to the OATT. As it conducts each Class Year Deliverability Study, the ISO staff will provide regularly scheduled status reports and working drafts, with supporting data, to the Operating Committee or an Operating Committee subcommittee to ensure that all affected Market Participants have an opportunity to contribute whatever information and input they believe might be helpful to the process. Each completed Class Year Deliverability Study will be reviewed and approved by the Operating Committee, when the Operating Committee approves the ATRA for the same Class Year. Each Class Year Deliverability Study is reviewable by the ISO Board of Directors in accordance with the provisions of the Commission-approved ISO Agreement.

Starting with Class Year 2019, if the ISO determines that an Additional SDU Study is required pursuant to Section 25.5.10 of this Attachment S, ISO will notify all Class Year Projects that such Additional SDU Study will be conducted, such notice to be provided as soon as practicable after the ISO receives notice from Developers in response to the Notice of SDU Requiring Additional Study.

25.7.7.2 Expedited Deliverability Study Procedures

The ISO staff will conduct the Expedited Deliverability Study, as described in these rules in cooperation with Market Participants. No Market Participant will have decisional control over any determinative aspect of the Expedited Deliverability Study. The ISO and its staff will have decisional control over the entire Expedited Deliverability Study. If, at any time, the ISO staff decides that it needs specific expert services from entities such as Market Participants, consultants or engineering firms for it to conduct the Expedited Deliverability Study, then the ISO will enter into appropriate contracts with such entities for such input. The ISO shall utilize existing studies to the extent practicable when it performs the study, including but not limited to SRIS deliverability analyses performed pursuant to Section 30.7.3.2 and 30.7.4.2 of Attachment X to the OATT. As it conducts each Expedited Deliverability Study, the ISO staff will provide regularly scheduled status reports and working drafts, with supporting data, to the Operating Committee or an Operating Committee subcommittee to ensure that all affected Market Participants have an opportunity to contribute whatever information and input they believe might be helpful to the process. Each completed Expedited Deliverability Study will be reviewed and approved by the Operating Committee. Each Expedited Deliverability Study is reviewable by the ISO Board of Directors in accordance with the provisions of the Commission-approved ISO Agreement.

25.7.8 Deliverability Test Methodology for Highways and Byways

25.7.8.1 Definition of NYCA Deliverability

The NYCA transmission system shall be able to deliver the aggregate of NYCA capacity resources to the aggregate of the NYCA load under summer peak load conditions. This is accomplished, in the Class Year Study, through ensuring the deliverability of each Class Year CRIS Project, in the Capacity Region where the Project interconnects. This is accomplished, in the Expedited Deliverability Study, through ensuring the deliverability of each Class Year CRIS Request, in the Capacity Region where the Project interconnects.

25.7.8.2 NYCA Deliverability Testing Methodology

25.7.8.2.1 Class Year Study

25.7.8.2.1.1 The current Class Year ATBA, developed in accordance with ISO Procedures, will serve as the starting point for the deliverability baseline for testing under summer peak system conditions, subject to ISO Procedures and the following:

 All Class Year CRIS Projects will be evaluated on an aggregate Class Year basis. Deliverability will be determined through a shift from generation to generation within the Capacity Regions in New York State. Each Capacity Region will be tested on an individual basis.

25.7.8.2.1.2 Each entity requesting External CRIS Rights will request a certain number of MW to be evaluated for deliverability pursuant to Section 25.7.11 of this Attachment S. The MW of an entity requesting External CRIS Rights will not be derated for the deliverability analysis.

25.7.8.2.1.3 Each Developer requesting CRIS will request that a certain number of MW be evaluated for deliverability, such MW not to exceed the maximum levels set forth in Section 25.8.1 of this Attachment S. The MW requested by a Developer will represent Installed Capacity, and will be derated for the deliverability analysis. The MW requested by a Resource with an Energy Duration Limitation will represent Installed Capacity based on the Developer-selected duration (i.e., its expected maximum injection capability in MW hours for the Developer-selected duration) and will also be derated for the deliverability analysis. At the conclusion of the analysis, the ISO will reconvert only the deliverable MW and report them in terms of MW of Installed Capacity using the same derating factor utilized at the beginning of the deliverability analysis.

A derated generator capacity incorporating availability is used. This derated generator capacity is based on the unforced capacity or “UCAP” or Net UCAP, as applicable, of each resource and can be referred to as the UCAP Deration Factor (“UCDF”). The UCDF used is the average from historic ICAP to UCAP translations on a Capacity Region basis, as determined in accordance with ISO Procedures. For Class Years prior to and including Class Year 2017, this is the average EFORd, which will be used for all non intermittent ICAP providers. The UCDF for intermittent resources will be calculated based on their resource type in accordance with ISO Procedures. For Class Years commencing after the completion of Class Year 2017, the UCDF used is the average EFORd, which will be used for all ICAP providers that are not Intermittent Power Resources (resources that are not Intermittent Power Resources include Energy Storage Resources). The UCDF for Intermittent Power Resources will be calculated based on their resource type in accordance with ISO Procedures.

Resources with an Energy Duration Limitations evaluated for CRIS will be derated to reflect the Developers’ selected duration. Facilities comprised of Generators of different technologies will be derated using a blended UCDF that combines the UCDF of the individual Generators within the Project; provided however, that if the Project includes load reduction, the load reduction would not impact the UCDF of the Project.

The UCDF factor for proposed Projects will be applied to the requested CRIS level. For facilities modeled in the ATBA, the UCDF will be applied to their CRIS level.

Existing CRIS that will be modeled in the Class Year Study shall include: existing CRIS for facilities not being evaluated in the Class Year Study regardless of outage state, unless that CRIS will expire prior to the scheduled completion of the applicable Class Year study or the CRIS is associated with a Retired facility that cannot transfer such rights prior to CRIS expiration. For purposes of this Section 25.7.8.2.1.3, “existing CRIS” is CRIS that has been obtained through Attachment S and that has not expired. For Projects that have undergone a prior Class Year Study deliverability evaluation, “existing CRIS” is CRIS obtained upon completion of a Class Year Study through which the Developer accepted its deliverable MW or accepted its Project Cost Allocation and posted Security for System Deliverability Upgrades, as applicable. For Projects that undergo an Expedited Deliverability Study deliverability evaluation, “existing CRIS” is considered to be CRIS that is obtained upon completion of an Expedited Deliverability Study through which the Developer was deemed to have accepted its deliverable MW in an Expedited Deliverability Study completed prior to the Class Year Study Start Date.

25.7.8.2.1.4 Load uncertainties will be addressed in accordance with ISO Procedures by taking the impact of Load Forecast Uncertainty (“LFU”) from the most recent base case IRM and applying it to load.

25.7.8.2.1.5 Deliverability base case conditioning steps will be consistent with those used for the Reliability Planning Process and Area Transmission Review transfer limit calculation methodology.

25.7.8.2.1.6 In deliverability testing, Emergency transfer criteria and contingency testing will be in conformance with NYSRC rules and correspond to that used in the Reliability Planning Process studies.

25.7.8.2.1.7 The NYISO will monitor all transmission facilities that are part of the New York State Transmission System.

25.7.8.2.1.8 When either the voltage or stability transfer limit of an interface calculated in the ATBA is more binding than the calculated thermal transfer limit, then the lower of the ATBA voltage or stability transfer limit will be included in the deliverability testing as a proxy limit.

25.7.8.2.1.9 External system imports will be adjusted as necessary to eliminate or minimize overloads, other than the following external system imports: (i) the grandfathered import contract rights listed in Attachment E to the Installed Capacity Manual, (ii) the operating protocols set forth in Schedule C of Attachment CC to the OATT, (iii) the appropriate rules for reflecting PJM service to RECo load, (iv) beginning with Class Year 2008 and in subsequent Class Years, the Existing Transmission Capacity for Native Load listed for the New York State Electric & Gas Corporation in Table 3 of Attachment L to the OATT, (v) in Class Year 2008 and 2009, 1090 MW of imports made over the Quebec (via Chateauguay) interface, and (vi) beginning with Class Year 2010 and in subsequent Class Years, any External CRIS Rights awarded pursuant to Section 25.7.11 of this Attachment S, either as a result of the conversion of grandfathered rights over the Quebec (via Chateauguay) Interface or as a result of a Class Year Deliverability Study, until, as of the Class Year Start Date, the time available to renew the External CRIS Rights has expired, as described in Section 25.9.3.2.2 of this Attachment S.

25.7.8.2.1.10 Flows associated with generators physically located in the NYCA but selling capacity out of the market will be modeled as such in the deliverability base cases.

25.7.8.2.1.11 Resources and demand are brought into balance in the baseline. If resources are greater than demand in the Capacity Region, existing generators within the Capacity Region are prorated down. If resources are lower than demand in the Capacity Region, additional external resources are included in the model.

25.7.8.2.1.12 PARs within the applicable Capacity Region will be adjusted as necessary, in either direction and within their angle capability, to eliminate or minimize overloads without creating new ones. PARs controlling external ties and ties between the Capacity Regions will be modeled, within their angle capability, to hold the individual tie flows to their respective deliverability baseline schedules, which shall be set recognizing firm commitments and operating protocol set forth in Schedule C of Attachment CC to the OATT.

25.7.8.2.1.13 Deliverability testing will proceed as follows - The generation/load mix is split into two groups of generation and load, one upstream and one downstream for each zone or sub-zone tested within the Capacity Region. All elements that are part of the New York State Transmission System within the Capacity Region will be monitored. If there is excess generation upstream (that is, more upstream generation than is necessary to serve the upstream load plus LFU) then the generation excess, taking into account generator derate factors described in Section 25.7.8.2.2 above, is assumed to displace downstream generation. If the dispatch of the upstream excess generation causes an overload, this overload is flagged as a potential deliverability problem and will be used to determine the amount of capacity that is assigned CRIS status and the overload mitigation.

25.7.8.2.1.14 For Highway interfaces, the generators or Class Year Transmission Projects in a Class Year, whether or not they are otherwise deliverable, will not be considered deliverable if their aggregate impact degrades the transfer capability of the interface more than the lesser of 25 MW or 2 percent of the transfer capability identified in the ATBA and results in an increase to the NYCA LOLE determined for the ATBA of .01 or more. The Class Year CRIS Projects causing the degradation will be responsible, on a pro rata basis, for restoring transfer capability only to the extent their aggregate degradation of transfer capability, compared to that in the ATBA, would not occur but for the Class Year CRIS Projects.

25.7.8.2.2 Expedited Deliverability Study

25.7.8.2.2.1 The current Class Year ATRA, developed in accordance with ISO Procedures, will serve as the starting point for the deliverability baseline for testing under summer peak system conditions, subject to ISO Procedures and the following: All Expedited Deliverability Study Projects will be evaluated on an aggregate Expedited Deliverability Study basis. Deliverability will be determined through a shift from generation to generation within the Capacity Regions in New York State. Each Capacity Region will be tested on an individual basis.

25.7.8.2.2.2 Each Developer requesting CRIS will request that a certain number of MW be evaluated for deliverability, such MW not to exceed the maximum levels set forth in Section 25.8.1 of this Attachment S. The MW requested by a Developer will represent Installed Capacity, and will be derated for the deliverability analysis. The MW requested by a Resource with an Energy Duration Limitation will represent Installed Capacity based on the Developer-selected duration (i.e., its expected maximum injection capability in MW hours for the Developer-selected duration) and will also be derated for the deliverability analysis. At the conclusion of the analysis, the ISO will reconvert only the deliverable MW and report them in terms of MW of Installed Capacity using the same derating factor utilized at the beginning of the deliverability analysis.

A derated generator capacity incorporating availability is used. This derated generator capacity is based on the unforced capacity or “UCAP” or Net UCAP, as applicable, of each resource and can be referred to as the UCAP Deration Factor (“UCDF”). The UCDF used is the average from historic ICAP to UCAP translations on a Capacity Region basis, as determined in accordance with ISO Procedures. The UCDF used is the average EFORd, which will be used for all ICAP providers that are not Intermittent Power Resources (resources that are not Intermittent Power Resources include Energy Storage Resources). The UCDF for Intermittent Power Resources will be calculated based on their resource type in accordance with ISO Procedures. Resources with Energy Duration Limitations evaluated for CRIS will be derated to reflect the Developers’ selected duration. Facilities comprised of Generators of different technologies will be derated using a blended UCDF that combines the UCDF of the individual Generators within the Project; provided however, that if the Project includes load reduction, the load reduction would not impact the UCDF of the Project.

The UCDF factor for proposed Projects will be applied to the requested CRIS level. For facilities modeled in the ATRA, the UCDF will be applied to their CRIS level.

25.7.8.2.2.3 CRIS that will be modeled in the Expedited Deliverability Study shall include: (1) existing CRIS, including CRIS obtained in a previous Expedited Deliverability Study, for facilities not being evaluated in the instant Expedited Deliverability Study, regardless of outage state, unless that CRIS will expire prior to the scheduled completion of the applicable Expedited Deliverability Study or the CRIS is associated with a Retired facility that cannot transfer such rights prior to CRIS expiration; and (2) CRIS requested by Projects in the Class Year Study(ies) pending during the Expedited Deliverability Study. For purposes of this section 25.7.8.2.2.3, “existing CRIS” is CRIS that has not expired and CRIS that has been obtained by Projects through Attachment S. For Projects that undergo a Class Year Study deliverability evaluation, “existing CRIS,” is CRIS obtained, upon completion of a Class Year Study through which the Developer accepted deliverable MW or accepted its Project Cost Allocation and posted Security for System Deliverability Upgrades, as applicable. For Projects that undergo an Expedited Deliverability Study deliverability evaluation, “existing CRIS,” is CRIS obtained, upon completion of an Expedited Deliverability Study through which the Developer was deemed to have accepted its deliverable MW.

25.7.8.2.2.4 Load uncertainties will be addressed in accordance with ISO Procedures by taking the impact of Load Forecast Uncertainty (“LFU”) from the most recent base case IRM and applying it to load.

25.7.8.2.2.5 Deliverability base case conditioning steps will be consistent with those used for the Comprehensive Reliability Planning Process and Area Transmission Review transfer limit calculation methodology.

25.7.8.2.2.6 In deliverability testing, Emergency transfer criteria and contingency testing will be in conformance with NYSRC rules and correspond to that used in the NYISO Comprehensive Reliability Planning Process studies.

25.7.8.2.2.7 The ISO will monitor all transmission facilities that are part of the New York State Transmission System.

25.7.8.2.2.8 When either the voltage or stability transfer limit of an interface calculated in the ATRA is more binding than the calculated thermal transfer limit, then the lower of the ATRA voltage or stability transfer limit will be included in the deliverability testing as a proxy limit.

25.7.8.2.2.9 External system imports will be adjusted as necessary to eliminate or minimize overloads, other than the following external system imports: (i) the grandfathered import contract rights listed in Attachment E to the Installed Capacity Manual, (ii) the operating protocols set forth in Schedule C of Attachment CC to the OATT, (iii) the appropriate rules for reflecting PJM service to RECo load, (iv) the Existing Transmission Capacity for Native Load listed for the New York State Electric & Gas Corporation in Table 3 of Attachment L to the OATT, (v) any External CRIS Rights awarded pursuant to Section 25.7.11 of this Attachment S, either as a result of the conversion of grandfathered rights over the Quebec (via Chateauguay) Interface or as a result of a Class Year Deliverability Study, until, as of the Expedited Deliverability Study start date, the time available to renew the External CRIS Rights has expired, as described in Section 25.9.3.2.2 of this Attachment S.

25.7.8.2.2.10 Flows associated with generators physically located in the NYCA but selling capacity out of the market will be modeled as such in the deliverability base cases.

25.7.8.2.2.11 Resources and demand are brought into balance in the baseline. If resources are greater than demand in the Capacity Region, existing generators within the Capacity Region are prorated down. If resources are lower than demand in the Capacity Region, additional external resources are included in the model.

25.7.8.2.2.12 PARs within the applicable Capacity Region will be adjusted as necessary, in either direction and within their angle capability, to eliminate or minimize overloads without creating new ones. PARs controlling external ties and ties between the Capacity Regions will be modeled, within their angle capability, to hold the individual tie flows to their respective deliverability baseline schedules, which shall be set recognizing firm commitments and operating protocol set forth in Schedule C of Attachment CC to the OATT.

25.7.8.2.2.13 Deliverability testing will proceed as follows - The generation/load mix is split into two groups of generation and load, one upstream and one downstream for each zone or sub-zone tested within the Capacity Region. All elements that are part of the New York State Transmission System within the Capacity Region will be monitored. If there is excess generation upstream (that is, more upstream generation than is necessary to serve the upstream load plus LFU) then the generation excess, taking into account generator derate factors described in Section 25.7.8.2.2 above, is assumed to displace downstream generation. If the dispatch of the upstream excess generation causes an overload, this overload is flagged as a potential deliverability problem and will be used to determine the amount of partial CRIS, if any, for the applicable Projects in the Expedited Deliverability Study.

25.7.8.2.2.14 For Highway interfaces, the Projects in an Expedited Deliverability Study, whether or not they are otherwise deliverable, will not be considered deliverable if their aggregate impact degrades the transfer capability of the interface more than the lesser of 25 MW or 2 percent of the transfer capability identified in the ATRA. To the extent possible, the ISO will determine partial CRIS, if any, for any applicable Project in the Expedited Deliverability Study.

25.7.9 Deliverability Test Methodology for Other Interfaces

25.7.9.1 Class Year Deliverability Test Methodology for Other Interfaces

The generators or Class Year Transmission Projects in a Class Year, whether or not they are otherwise deliverable across Highways and Byways, will not be considered deliverable if their aggregate impact degrades the transfer capability of any Other Interface more than the lesser of 25 MW or 2 percent of the transfer capability of the Other Interface identified in the ATBA. Each Developer will be responsible for its pro rata Class Year share of one hundred percent (100%) of the cost of System Deliverability Upgrades needed to restore transfer capability on the Other Interfaces impacted by the Class Year CRIS Projects but only to the extent that the degradation of transfer capability on the Other Interfaces, compared to that measured in the current Class Year ATBA, would not occur but for the aggregate impact of the Class Year Projects. Where two or more Projects contribute to the degradation of the transfer capability of an Other Interface, each Project Developer shall pay for a share of the required System Deliverability Upgrades based on its contribution to the degradation of the transfer capability. To the extent possible, the ISO will determine partial CRIS, if any, for any applicable Project in the Class Year Study.

25.7.9.2 Expedited Deliverability Study Test Methodology for Other Interfaces

The Projects in an Expedited Deliverability Study, whether or not they are otherwise deliverable across Highways and Byways, will not be considered deliverable if their aggregate impact degrades the transfer capability of any Other Interface more than the lesser of 25 MW or 2 percent of the transfer capability of the Other Interface identified in the ATBA. To the extent possible, the ISO will determine partial CRIS, if any, for any applicable Project in the Expedited Deliverability Study.

25.7.10 Deliverability of External Installed Capacity

External Installed Capacity not associated with Unforced Capacity Deliverability Rights, External-to-ROS Deliverability Rights or External CRIS Rights will be subject to the deliverability test in Section 25.7.8 and 25.7.9 of this Attachment S, but not as a part of the Class Year Deliverability Study. As described in detail in Section 5.12.2 of the Services Tariff, the deliverability of External Installed Capacity not associated with Unforced Capacity Deliverability Rights, External-to ROS Deliverability Rights or External CRIS Rights will be evaluated separately as a part of the annual process under the Services Tariff that sets import rights for the upcoming Capability Year, to determine the amount of External Installed Capacity that can be imported to the New York Control Area.

25.7.11 CRIS Rights For External Installed Capacity

An entity, by following the procedures and satisfying the requirements described in this Section 25.7.11, may obtain External CRIS Rights. While the External CRIS Rights are in effect, External Installed Capacity associated with External CRIS Rights is not subject to (1) the deliverability determination described above in Section 25.7.10 of this Attachment S, (2) the annual deliverability determination applied in the import limit setting process described in Section 5.12.2.2 of the Services Tariff, or (3) to the allocation of import rights described in ISO Procedures.

25.7.11.1 Required Commitment of External Installed Capacity

An entity requesting External CRIS Rights for a specified number of MW of External Installed Capacity must commit to supply that number of MW of External Installed Capacity for a period of at least five (5) years (“Award Period”). The entity’s commitment to supply the specified number of MW for the Award Period may be based upon either an executed bilateral contract to supply (“Contract Commitment”), or based upon another kind of long-term commitment (“Non-Contract Commitment”), both as described herein.

25.7.11.1.1 Contract Commitment

An entity making a Contract Commitment of External Installed Capacity must have one or more executed bilateral contract(s) to supply a specified number of MW of External Installed Capacity (“Contract CRIS MW”) to a Load Serving Entity or Installed Capacity Supplier for an Award Period of at least five (5) years. The entity must have ownership or contract control of External Installed Capacity to fulfill its bilateral supply contract throughout the Award Period, and that otherwise satisfies ISO requirements.

25.7.11.1.1.1 The bilateral supply contract(s) individually or in the aggregate, must be for all months of the Summer Capability Periods over the term of the bilateral supply contract(s), but need not include any of the months of the Winter Capability Periods over that term. The entity seeking External CRIS Rights must specify which, if any, months of the Winter Capability Period it will supply External Installed Capacity under the bilateral supply contract(s) (“Specified Winter Months”).

25.7.11.1.1.2 The bilateral supply contract(s) must be for the same number of MW for all months of the Summer Capability Periods (“Summer Contract CRIS MW”) and the same number of MW for all Specified Winter Months (“Winter Contract CRIS MW”). The Winter Contract CRIS MW level must be less than or equal to the Summer Contract CRIS MW level.

25.7.11.1.1.3 An entity holding External CRIS Rights under a Contract Commitment must certify the bilateral supply contract for every month of the Summer Capability Periods and all Specified Winter Months for the applicable Contract CRIS MW. The Summer Contract CRIS MW must be certified for every month of the Summer Capability Period, and the Winter Contract CRIS MW must be certified for every Specified Winter Month (if any).

**25.7.11.1.2**  **Non-Contract Commitment**

An entity holding External CRIS Rights under a Non-Contract Commitment must offer the committed number of MW of External Installed Capacity for every month of the commitment, as described below, in the ISO Installed Capacity auctions for an Award Period of at least five (5) years. The entity must have ownership or contract control of External Installed Capacity to fulfill its Non-Contract Commitment throughout the Award Period.

25.7.11.1.2.1 The Non-Contract Commitment must be made for all months of the Summer Capability Periods over the term of the Award Period, but need not include any months in the Winter Capability Periods. The entity must identify the Specified Winter Months, if any, of the Winter Capability Periods for which it will make the commitment.

25.7.11.1.2.2 The commitment must be for the same number of MW for each month of the Summer Capability Period (“Summer Non-Contract CRIS MW”), and the same number of MW for all Specified Winter Months (“Winter Non-Contract CRIS MW”). The Winter Non-Contract CRIS MW level must be less than or equal to the Summer Contract CRIS MW level.

25.7.11.1.2.3 An entity holding External CRIS Rights under a Non-Contract Commitment must offer the committed capacity (a) in at least one of the following NYCA auctions: the Capability Period Auction, the Monthly Auction or the ICAP Spot Market Auction, or (b) through a certified and scheduled Bilateral Transaction (as such terms not defined in this Attachment S are defined in the Services Tariff). The Summer Non-Contract CRIS MW must be offered for every month of the Summer Capability Period, and the Winter Non-Contract CRIS MW must be offered for every Specified Winter Month (if any).

25.7.11.1.2.4 Notwithstanding other capacity mitigation measures that may apply, the offers to sell Installed Capacity into an auction submitted pursuant to this Non-Contract Commitment will be subject to an offer cap for each month of the Summer Capability Periods and each Specified Winter Month. This offer cap will be determined in accordance with the provisions contained in Section 5.12.2.4 of the Services Tariff.

**25.7.11.1.3 Failure to Meet Commitment**

If an entity fails to certify or offer the full number of Contract CRIS MW or Non-Contract CRIS MW in accordance with the terms stated above, in Sections 25.7.11.1.1 and 25.7.11.1.2, the entity shall pay the ISO an amount equal to 1.5 times the Installed Capacity Spot Auction Market Clearing Price for the month in which either the capacity under Non-Contract Commitment was not offered or the Contract Commitment to supply ICAP was not certified (“Supply Failure”), times the number of MW committed under the Non-Contract or Contract Commitment but not offered.

25.7.11.1.3.1 Within a given Award Period and each subsequent renewal of an Award Period pursuant to Section 25.9.3.2.2 herein, for the first three instances of a Supply Failure, no additional actions will be taken. Upon the fourth instance within the Award Period or the fourth instance within a subsequent renewal period of a Supply Failure, the associated External CRIS Rights will be terminated in their entirety with no ability to renew. Entities that had External CRIS Rights terminated may reapply for External CRIS in accordance with Section 25.7.11.1.4.2 below. Nothing in this Section 25.7.11.1.3 shall be construed to limit or diminish any provision in the Market Power Mitigation Measures or the Market Monitoring Plan.

**25.7.11.1.4 Obtaining External CRIS Rights**

An entity making a Contract Commitment or Non-Contract Commitment of External Installed Capacity may obtain External CRIS Rights for a specified number of MW of External Installed Capacity in one of two different ways, either (i) by converting MW of grandfathered deliverability rights over the External Interface with Quebec (via Chateauguay), or (ii) by having its specified MW of External Installed Capacity evaluated in a Class Year Deliverability Study, both as described herein.

25.7.11.1.4.1 One-Time Conversion of Grandfathered Rights. An entity can request to convert a specified number of MW pursuant to the conversion process established in Section 5.12.2.3 of the Services Tariff.

25.7.11.1.4.2 Class Year Deliverability Study. An entity may seek to obtain External CRIS Rights for its External Installed Capacity by requesting that its External Installed Capacity be evaluated for deliverability in the Open Class Year. To make such a request an entity must provide to the ISO a completed External CRIS Rights Request stating whether it is making a Contract Commitment or Non-Contract Commitment, the number of MW of External Installed Capacity to be evaluated, and the specific External Interface(s). The first Class Year Deliverability Study to evaluate requests for External CRIS Rights will be that for Class Year 2010. After the ISO receives a completed External CRIS Rights Request, an entity making a Contract Commitment or Non-Contract Commitment that satisfies the requirements of Section 25.7.11.1 of this Attachment S will be eligible to proceed, as follows:

25.7.11.1.4.2.1 The entity is made a Class Year Project when the ISO receives the entity’s executed Class Year Interconnection Facilities Study Agreement for External Installed Capacity and all required data and the full deposit.

25.7.11.1.4.2.2 The entity’s MW of External Installed Capacity covered by its bilateral contract(s) or, in the case of a Non-Contract Commitment the number of MW committed by the entity, are evaluated for deliverability within the Rest of State Capacity Region. The entity’s External Installed Capacity is not subject to the NYISO Minimum Interconnection Standard. The ISO will determine whether the requests for External CRIS Rights within a given Class Year exceed the import limit, established pursuant to ISO procedures, for the applicable External Interface that is in effect on the Class Year Start Date when combined, to the extent not already reflected in the import limit, with the following: (1) awarded External CRIS Rights at the same External Interface, (2) Grandfathered External Installed Capacity Agreements listed in Attachment E of the ISO Installed Capacity Manual at the same External Interface, and (3) the Existing Transmission Capacity for Native Load listed for New York State Electric & Gas Corporation in Table 3 of Attachment L to the ISO OATT (applies to the PJM interface only) (“Combined Total MW”). In addition to the other requirements stated herein, External CRIS Rights will only be awarded to the extent that the Combined Total MW does not exceed the import limit, as described above.

25.7.11.1.4.2.3 The Class Year Deliverability Study report will include an SDU Project Cost Allocation and a Deliverable MW number for the entity’s External Installed Capacity.

25.7.11.1.4.2.4 The entity will have the same decision alternatives as other Class Year Projects participating in the Deliverability Study only. That is, the entity may either (a) accept its SDU Project Cost Allocation, (b) decline its SDU Project Cost Allocation and accept its Deliverability MW figure, or (c) decline both its SDU Project Cost Allocation and its Deliverable MW. If the entity does decline both its SDU Project Cost Allocation and its Deliverable MW, the entity’s External Installed Capacity will be removed from the Class Year Deliverability Study. Once removed from the then current Class Year Deliverability Study, the entity can request for its External Installed Capacity to be evaluated again for deliverability in a subsequent Class Year Deliverability Study that is open at the time of its request.

25.7.11.1.4.2.5 If the entity accepts its SDU Project Cost Allocation, it must fund, or commit to fund the SDU upgrades, like any other Class Year Project.

25.7.11.1.4.2.6 If the entity accepts its SDU Project Cost Allocation and funds or commits to fund the SDU upgrades as required by this Attachment S, the entity must also execute and fulfill agreement(s) with the ISO and the Connecting Transmission Owner and any Affected Transmission Owner to cover the engineering, procurement and construction of the SDUs.

25.7.11.1.4.2.7 By the end of the Initial Decisional Period (i.e., 30 days from Operating Committee approval of the Class Year Deliverability Study), an entity making a Contract Commitment and accepting either its SDU Project Cost Allocation or Deliverable MW quantity, must provide specific contract and resource information to the ISO. Unless entities are supplying External Installed Capacity as Control Area System Resources, requests for External Installed Capacity shall be resource-specific. Entities are permitted to substitute resources located in the same External Control Area. Such substitutions shall be subject to review and approval by ISO consistent with ISO Procedures and deadlines specified therein.

25.7.11.1.4.2.8 If the entity satisfies the requirements described in this Section 25.7.11.1.4, the entity will obtain External CRIS Rights for the number of MW determined to be deliverable, made deliverable through an SDU (with an accepted SDU Project Cost Allocation), or deemed deliverable through a commitment to pay for an SDU.

25.7.12 Cost Allocation for Highway System Deliverability Upgrades

25.7.12.1 If the portion of the Highway System Deliverability Upgrades (measured in MW) required to make one or more CRIS Projects in a Class Year deliverable is ninety percent (90%) or more of the total size (measured in MW) of the System Deliverability Upgrades, each Developer(s) of a Class Year CRIS Project(s) will be responsible for its pro rata Class Year share of one hundred percent (100%) of the cost of the System Deliverability Upgrades.

25.7.12.2 If the portion of the System Deliverability Upgrades required to make one or more CRIS Projects in a Class Year deliverable is less than 90% of the total size (measured in MW) of the Highway System Deliverability Upgrade, the Developer(s) will be required to pay or commit to pay for a percentage share of the total cost of the Highway System Deliverability Upgrades equal to the estimated percentage megawatt usage by the Class Year CRIS Project of the total megawatts provided by the System Deliverability Upgrades. Other generators or Class Year Transmission Projects in the current Class Year Deliverability Study may share in the cost of these System Deliverability Upgrades, on the same basis. Projects in the current Class Year Deliverability Study will not be allocated all of the cost of these System Deliverability Upgrades. The rest of the cost of these System Deliverability Upgrades will be allocated to Load Serving Entities and subsequent Developers, as described in this Section 25.7.12. The Developer may either (1) make a cash payment of its proportionate share of the upgrade, which will be held by the Connecting Transmission Owner and Affected Transmission Owner(s) in interest-bearing account(s); or (2) post Security (as defined in this Attachment S) meeting the commercially reasonable requirements of the Connecting Transmission Owner and Affected Transmission Owner(s) for the Developer’s proportionate share of the cost of the upgrade. The amount(s) of cash or Security that a Developer must provide to its Connecting Transmission Owner and any Affected Transmission Owners will be included in the Class Year Deliverability Study report. If the Developer chooses to provide Security, its allocated cost will be increased by an annual construction-focused inflation index. The Developer will update its Security on an annual basis to reflect this increase. Except for this adjustment for inflation, the cost allocated to the Developers will not be increased if the estimated cost of the Highway System Deliverability Upgrade increases. However, the costs allocated to subsequent Developers will be based on a current cost estimate of the Highway System Deliverability Upgrade project.

25.7.12.3 If requesting CRIS, the generator or Class Year Transmission Project will be considered deliverable, and eligible to become a qualified Installed Capacity Supplier or to receive Unforced Capacity Deliverability Rights or External-to-ROS Deliverability Rights, as applicable and subject to eligibility requirements in the ISO Procedures, when the Project associated with the CRIS request is in service, provided the Developer has paid its share of the total cost of System Deliverability Upgrades necessary to support the requested CRIS level, or made a satisfactory commitment to do so. Highway System Deliverability Upgrades--where the System Deliverability Upgrades are below the 90% threshold discussed in Section 25.7.12.2 above--will be constructed and funded either (i) according to Sections 25.7.12.3.1 and 25.7.12.3.2 below, or (ii) according to Section 25.7.12.3.3 below.

25.7.12.3.1 When a threshold of 60% of the most current cost estimate of the System Deliverability Upgrade has been paid or posted as Security by Developers, the Highway System Deliverability Upgrade will be built by the Transmission Owner that owns the facility to be upgraded. If the facility to be constructed will be entirely new, construction should be completed by the Transmission Owner that owns or controls the necessary site or right of way. If no Transmission Owner(s) has such control, construction should be completed by the Transmission Owner in whose Transmission District the facility would be constructed. If the upgrade crosses multiple Transmission Districts, each Transmission Owner will be responsible for the portion of the upgrade in its Transmission District; and

25.7.12.3.2 The actual cost of the Highway System Deliverability Upgrade project above that paid for by Developers will be funded by Load Serving Entities, using the rate mechanism contained in Schedule 12 of the ISO OATT. Load Serving Entity funding responsibility for the Highway System Deliverability Upgrade will be allocated among Load Serving Entities based on their proportionate share of the ICAP requirement in the statewide capacity market, adjusted to subtract their locational capacity requirements. Provided, however, Load Serving Entities will not be responsible for actual costs in excess of their share of the final Class Year estimated cost of the Highway System Deliverability Upgrade if the excess results from causes, as described in Section 25.8.6.4 of this Attachment S, within the control of a Transmission Owner(s) responsible for constructing the Highway System Deliverability Upgrade; or

25.7.12.3.3 If the NYISO triggers a transmission project under the Reliability Planning Process, selects a transmission project under the Short-Term Reliability Process, selects a transmission upgrade under the Public Policy Transmission Planning Process, or results in a Regulated Economic Transmission Project being approved under the Economic Planning Process (collectively “CSPP transmission upgrade”) and the CSPP transmission upgrade requires construction of a transmission facility that provides the same or greater transfer limit capability as the Highway facility identified as a Highway System Deliverability Upgrade to be constructed earlier than would be the case pursuant to Section 25.7.12.3.1, the CSPP transmission upgrade will be constructed as determined in the CSPP or the Short-Term Reliability Process, as applicable. Funds collected from Developers (pursuant to Section 25.7.12.2, above) will be used to cover a portion of the regulated solution costs to the extent that the funds collected from Developers were collected for System Deliverability Upgrades that are actually constructed by the regulated solution. To the extent this is true, these funds originally collected (or posted as Security) for System Deliverability Upgrades will be used as an offset to the total CSPP transmission upgrade cost, with the remainder of the upgrade cost to be allocated per the requirements of the CSPP, as set forth in Section 31.5 of Attachment Y to the ISO OATT, or the Short-Term Reliability Process, as set forth in Section 38.22 of Attachment FF to the ISO OATT.

To the extent funds collected from Developers for System Deliverability Upgrades are insufficient to cover the entire cost of the CSPP transmission upgrades, the Developers’ contribution to the System Deliverability Upgrades allocated to the CSPP transmission upgrades will not exceed the Developers’ respective Project Cost Allocations for the System Deliverability Upgrade. To the extent funds collected from Developers for System Deliverability Upgrades exceed the cost of the CSPP transmission upgrades, the funds collected for the System Deliverability Upgrades will be allocated to the CSPP transmission upgrade pro rata with the Developers’ contribution to the System Deliverability Upgrades, and excess funds or Security for System Deliverability Upgrades above the cost of the CSPP transmission upgrade will be returned to the Developers.

25.7.12.4 If a Developer has accepted its Project Cost Allocation, before construction of an identified System Deliverability Upgrade for a Highway is commenced, if a Developer elects to be retested for deliverability it may request to be placed in the then Open Class Year. The Developer’s cost responsibility for System Deliverability Upgrades shall not increase as a result of such retesting. It may decrease or be eliminated. If the Developer’s Project is found to be deliverable without the System Deliverability Upgrades previously identified, the Developer’s Security posting will be terminated, or the Developer’s cash payment will be returned with the interest earned.

25.7.12.5 When the Highway System Deliverability Upgrades are placed in to Commercial Operation and any resulting Incremental TCCs related to the Highway System Deliverability Upgrade become effective in accordance with Section 19.2.4 of Attachment M of the ISO OATT, a Developer electing to receive its proportionate share of such Incremental TCCs, as further described in Section 25.7.2.2 of this Attachment S, will receive its proportionate share of such Incremental TCCs.

25.7.12.5.1 Load Serving Entities required by this Section 25.7.12 to fund a portion of the costs of a Highway System Deliverability Upgrade will receive the corresponding financial value of any Incremental TCCs related to the System Deliverability Upgrade held by the Transmission Owner(s) responsible for constructing the Highway System Deliverability Upgrade, as further described in Section 25.7.2.2 of this Attachment S. The corresponding financial value of any such Incremental TCCs will be accounted for in determining the applicable Highway Facilities Charge in accordance with Schedule 12 of the ISO OATT. The eligibility of the Load Serving Entities to the financial value of any Incremental TCCs related to the System Deliverability Upgrade held by the Transmission Owner(s) responsible for constructing the Highway System Deliverability Upgrade shall commence as of the date such Incremental TCCs become effective in accordance with Section 19.2.4 of Attachment M to the OATT and continue until the earlier of: (i) the expiration of any such Incremental TCCs; or (ii) the termination of the obligation of the Load Serving Entities to fund a portion of the costs of the Highway System Deliverability Upgrade.

25.7.12.6 As new generators and Class Year Transmission Projects come on line and use the Headroom on System Deliverability Upgrades created by a prior Highway System Deliverability Upgrade, the Developers of those new facilities will reimburse the prior Developers or will compensate the Load Serving Entities who funded the System Deliverability Upgrades for use of the Headroom created by the prior Developers and Load Saving Entities in accordance with Sections 25.8.7 and 25.8.8 of these rules.

25.7.12.6.1 In accordance with Section 25.7.2.2 of this Attachment S, as subsequent Developers make Headroom payments to prior Developers and if a subsequent Developer elects to receive its proportionate share of any Incremental TCCs related to the Highway System Deliverability Upgrade, such Incremental TCCs will be transferred to the subsequent Developers; provided, however, that Incremental TCCs that were previously deemed reserved and are transferred to a subsequent Developer will become effective on the first day of the Capability Period that commences following the next Centralized TCC Auction conducted after the subsequent Developer makes the necessary Headroom payment and elects to receive its proportionate share of Incremental TCCs.

25.7.12.6.2 In accordance with Section 25.7.2.2 of this Attachment S, as subsequent Developers compensate Load Serving Entities for use of their Headroom by providing any such Headroom payments to the Transmission Owner(s) responsible for constructing a Highway System Deliverability Upgrade and if a subsequent Developer elects to receive its proportionate share of any Incremental TCCs related to the Highway System Deliverability Upgrade, such Incremental TCCs will be transferred to the subsequent Developer.

25.7.12.7 The Transmission Owner responsible for constructing a System Deliverability Upgrade or a Developer contributing toward the cost of a System Deliverability Upgrade can elect to construct upgrades that are larger and/or more expensive than the System Deliverability Upgrades identified to support the requested level of CRIS for the Class Year CRIS Project in the Class Year Deliverability Study, provided that those upgrades are reasonably related to the Class Year Project. The party electing to construct the larger upgrade will pay for the incremental cost of the upgrade; i.e., the difference in cost between the cost of the System Deliverability Upgrades as determined by these rules, and the cost of the larger and/or more expensive upgrade.

25.7.12.13 Engineering, Procurement and Construction Agreement for System Deliverability Upgrades

If a System Deliverability Upgrade on the Connecting Transmission Owner’s system is cost allocated to a Developer and such Developer accepts its SDU Project Cost Allocation and fund or commits to fund the System Deliverability Upgrade, the Interconnection Agreement among the Developer, Connecting Transmission Owner and ISO will provide for the engineering, procurement and construction of such System Deliverability Upgrade.

If a System Deliverability Upgrade on an Affected System is cost allocated to a Developer and such Developer accepts its SDU Project Cost Allocation and fund or commits to fund the System Deliverability Upgrade, the Developer and Affected System Operator will cooperate with the ISO in development of an Engineering, Procurement and Construction Agreement to provide for the engineering, procurement and construction of the System Deliverability Upgrades on the Affected System.

If a System Deliverability Upgrade is cost allocated to a Developer or multiple Developers and multiple Developers accept their SDU Project Cost Allocation and fund or commit to fund such System Deliverability Upgrades as required by Attachment S, the Developers, Connecting Transmission Owner(s), and Affected Transmission Owner(s) will cooperate with the ISO in development of an Engineering, Procurement and Construction Agreement to provide for the engineering, procurement and construction of the System Deliverability Upgrades on the Affected System.

The Engineering, Procurement and Construction Agreement shall be consistent with the NYISO’s Commission-approved Standard Large Generator Interconnection Agreement located in Appendix 2 to Attachment X of the OATT, modified to address only the engineering, procurement and construction of the System Deliverability Upgrades. The Parties to such agreement will use Reasonable Efforts to complete and execute the agreement, or submit the agreement unexecuted to the Commission, within six (6) months of the ISO’s tender of the agreement.

35.19 Effective Date, Implementation, Term and Termination

35.19.1 Effective Date; Implementation

This Agreement shall become effective as of the date that all of the following have occurred: (i) upon the execution hereof by both Parties, and (ii) acceptance or approval by the Federal Energy Regulatory Commission. Commencing with the Effective Date, the Parties shall commence and continue efforts to implement other provisions of this Agreement on dates determined by the Coordination Committee, which dates shall be the earliest dates reasonably feasible for both Parties.

35.19.2 Term

This Agreement shall continue in full force and effect unless terminated in accordance with the provisions of this Agreement.

35.19.3 Right of a Party to Terminate

35.19.3.1 NYISO may terminate this Agreement at any time upon not less than twelve (12) months’ Notice to PJM.

35.19.3.2 PJM may terminate this Agreement at any time upon not less than twelve (12) months’ Notice to NYISO.

35.19.3.3 This Agreement may be terminated at anytime by mutual agreement in writing.

35.19.4 Survival

The applicable provisions of this Agreement shall continue in effect after any termination of this Agreement to provide for adjustments and payments under Section 35.15, dispute resolution, determination and enforcement of liability, and indemnification, arising from acts or events that occurred during the period this Agreement was in effect.In addition, Sections 35.8.4 and 35.8.10 of this Agreement provides that the obligation to safeguard Confidential Information continues in effect for a period of seven years after any termination of this Agreement.

35.19.5 Post-Termination Cooperation

Following any termination of this Agreement, all Parties shall thereafter cooperate fully and work diligently in good faith to achieve an orderly resolution of all matters resulting from such termination.

1. The term “Securities” refers to stocks, stock options, bonds and any other instruments of debt or equity. [↑](#footnote-ref-2)
2. Secondary Employment refers to participation in (1) a second job (part-time, full-time or project related), or (2) an organization including, without limitation, a corporation, association, partnership or sole proprietorship. [↑](#footnote-ref-3)