

May 1, 2013

By Electronic Delivery

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Filing of an Executed Large Generator Interconnection Agreement Among the New York Independent System Operator, Inc., Niagara Mohawk Power Corporation d/b/a National Grid, and Erie Boulevard Hydropower, LP and Request for Waiver of the 60-Day Notice Period, Docket No. ER13-____-000

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act¹ and Section 35.12 of the Commission's Regulations,² the New York Independent System Operator, Inc. ("NYISO") and Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid") (collectively, the "Joint Filing Parties") hereby tender for filing an executed Large Generator Interconnection Agreement ("Interconnection Agreement") as Service Agreement No. 1952 among the NYISO, National Grid as the Transmission Owner, and Erie Boulevard Hydropower, LP ("Erie Blvd. Hydo" or "Developer") as the Developer.³

With the limited exceptions noted in Section II of this letter, the Interconnection Agreement conforms to the NYISO's *pro forma* Large Generator Interconnection Agreement ("LGIA") that is contained in Attachment X of the NYISO's OATT. The Joint Filing Parties respectfully request that the Commission accept the Interconnection Agreement for filing. Further, as described in Part III of this letter, the Joint Filing Parties respectfully request a waiver of the Commission's prior notice requirements to make the Interconnection Agreement effective as of April 17, 2013.

I. Background

The Interconnection Agreement governs the interconnection of Erie Blvd. Hydro's Large Generating Facility ("Facility") located at the Stewarts Bridge Reservoir, near the Town of Hadley, in Saratoga County, New York. Erie Blvd. Hydro currently operates the Facility at a

¹ 16 U.S.C. § 824d (2011).

² 18 C.F.R. § 35.12 (2011).

³ Capitalized terms not otherwise defined in this letter have the meaning set forth in Attachments S and X of the NYISO's Open Access Transmission Tariff ("OATT").

capacity of 30 MW (nameplate at 0.8 power factor) under an agreement with National Grid that pre-dates the NYISO's interconnection procedures.⁴ Erie Blvd. Hydro is expanding the Facility with an additional 2.7 MW (nameplate at 0.9 power factor) generator. The maximum summer output of the New Facility will be 40.5 MW (3.0 MW incremental) at 95°F and unity power factor. The Point of Interconnection is identified in Appendix A of the Interconnection Agreement at Figure 1.

II. Variations From the NYISO's Pro Forma LGIA

As noted above, the Agreement is based on the NYISO's *pro forma* LGIA; however, the Parties have agreed to make two minor sets of modifications to the *pro forma* agreement. These modifications are described below and are necessary to reflect the unique circumstances surrounding (1) Erie Blvd. Hydro's request for interconnection service (*i.e.*, Energy Resource Interconnection Service only); and (2) Erie Blvd. Hydro's election to execute an Interconnection Agreement prior to completion of a pending Class Year Interconnection Facilities Study ("Class Year Study").⁵

In various orders, the Commission has provided guidance regarding deviations from the applicable standard form of interconnection agreement. Specifically, the Commission has stated that where a case-specific deviation from a *pro forma* interconnection agreement is sought, the filing parties must produce justification explaining what makes the interconnection unique and what operational concerns or other factors necessitate the changes, including reliability concerns, novel legal issues, or other unique circumstances.⁶ In the present case, two such factors trigger the need to modify the *pro forma* LGIA: (1) Erie Blvd. Hydro's election to have the expansion of the Facility studied only for Energy Resource Interconnection Service and not for deliverability in the NYISO interconnection process; and (2) the timing of execution of the Interconnection Agreement vis-à-vis the status of the Class Year Study in which the Facility is being studied.

⁴ An Amended and Restated Interconnection Agreement between National Grid and Erie Blvd. Hydro was filed with the Commission on January 29, 2010 and accepted by delegated letter order on March 25, 2010 in Docket No. ER10-690-000.

⁵ The Joint Filing Parties also agreed to modifications specifically contemplated by the *pro forma* LGIA, but do not consider them non-conforming. For example, Article 2.2 of the Interconnection Agreement ("Term of Agreement") provides for a term of ten (10) years. The language of Article 2.2 specifically provides that the Parties may elect a term longer than ten (10) years. Exercising the rights afforded to them by this language, the Parties have elected to insert a term of twenty (20) years. Similarly, the Parties have updated the page numbers in the Table of Contents and inserted language in blanks the *pro forma* contemplated the Parties would complete. None of these are changes to the *pro forma* that the Parties consider non-conforming.

⁶ See Order No. 2006 at P 562. See also *Midwest Independent Transmission System Operator, Inc.*, 111 FERC ¶ 61,421 at P 11 (2005) (citing Order No. 2003 at PP 913-15).

The Commission has accepted changes to the *pro forma* Interconnection Agreement such as these, where they are unique circumstances associated with the interconnection.⁷ In fact, the modifications to the *pro forma* LGIA in this Agreement are substantially similar or identical to those previously accepted by the Commission.⁸ The NYISO respectfully requests that the Commission accept these modifications in light of the unique factors as well as the minimal modifications to the *pro forma* LGIA described below

First, Section 4.1.1 of the body of the Agreement has been modified to incorporate a reference to Appendix C which provides clarifying information about the Facility's Capacity Resource Interconnection Service ("CRIS"). Appendix C includes language to clarify the Facility's CRIS value in light of Erie Blvd. Hydro's election to not to have the Facility's incremental capacity evaluated for deliverability in the Class Year Interconnection Facilities Study ("Class Year Study") process.

Second, Appendix C of the Agreement has been modified to address the unique circumstance of the Facility's Interconnection Agreement being executed prior to the completion of the Class Year Interconnection Facilities Study in which the Facility is being evaluated.⁹ The Parties have agreed to add language to Appendix C to recognize this unique circumstance and to require the Developer to (1) accept the cost allocation for any System Upgrade Facilities for its expansion to the existing Facility from the Class Year 2012 Interconnection Facilities Study; (2) post any Security as required by the Agreement or Attachment S to the NYISO OATT; and (3) make any Headroom payments required by the Class Year 2012 Interconnection Facilities Study pursuant to Attachment S. The added provisions in Appendix C further require the Parties to amend the Agreement if upgrade facilities identified in the Class Year 2012 Interconnection Facilities Study for the expansion to the existing Facility, differ in any material way from those identified in the Agreement.

All of the parties to the Interconnection Agreement ("Parties") agree to these changes. The Joint Filing Parties have included a blackline of the Interconnection Agreement against the NYISO's *pro forma* LGIA to highlight this change. The Joint Filing Parties respectfully request that the Commission accept this modification.

⁷ See *PJM Interconnection, LLC*, 111 FERC ¶ 61,163 at PP 10-11, *reh'g denied*, 112 FERC ¶ 61,282 (2005).

⁸ The Commission has previously accepted similar non-conforming provisions to *pro forma* interconnection agreements. See, e.g., *New York Independent System Operator, Inc. and Niagara Mohawk Power Corporation d/b/a National Grid*, Letter Order, Docket No. ER11-3788-000 (July 18, 2011) (accepting nearly identical non-confirming provisions to reflect CRIS eligibility); *New York Independent System Operator, Inc. and Consolidated Edison Company of New York, Inc.*, Letter Order, Docket No. ER11-21999-000 (November 29, 2010) (accepting nearly identical non-conforming provisions to reflect the facility's unique status in a pending Class Year Study).

⁹ Only the expansion of the Facility is being evaluated in the Class Year Interconnection Facilities Study. The existing portion of the Facility pre-dated the NYISO's interconnection process.

III. Proposed Effective Date and Request for Wavier of the 60-Day Notice Period

The Joint Filing Parties request an effective date of April 17, 2013 for the Interconnection Agreement, which is the date of execution. The Joint Filing Parties respectfully request that the Commission waive its prior notice requirement in order to permit the requested effective date. The Commission has previously permitted interconnection agreements to become effective upon the date of execution.¹⁰

IV. Communications and Correspondence

Communications regarding this filing should be directed to:

For the NYISO

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¹⁰ See, e.g., *New York Independent System Operator, Inc. and New York State Electric & Gas Corporation*, Docket No. ER11-2953-000 (April 7, 2011) (accepting interconnection agreement effective as of date of execution); see also *New York Independent System Operator, Inc. and Niagara Mohawk Power Corp., Letter Order*, Docket No. ER08-985-000 (June 26, 2008) (same); *New York Independent System Operator, Inc. and New York Power Authority, Letter Order*, Docket No. ER08-861-000 (May 27, 2008) (same); *New York Independent System Operator, Inc. and New York Power Authority, Letter Order*, Docket No. ER08-699-000 (May 16, 2008) (same).

V. Documents Submitted

The NYISO submits the following documents:

- this filing letter;
- a clean version of the Interconnection Agreement (Attachment I); and
- a blacklined version showing the changes between the *pro forma* LGIA and the Interconnection Agreement (Attachment II) ; and
- a graphic showing the original signatures obtained for the Agreement (Attachment III).

VI. Service

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

VII. Conclusion

Wherefore, the NYISO respectfully requests that the Commission accept the Interconnection Agreement effective as of April 17, 2013.

Respectfully submitted,

/s/ Sara B. Keegan
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New York Independent System Operator, Inc.

/s/Amanda C. Downey
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