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By Electronic Delivery

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

Re: Filing of an Executed Standard Large Generator Interconnection Agreement Among the New York Independent System Operator, Inc., Long Island Lighting Company, d/b/a LIPA, a wholly-owned subsidiary of Long Island Power Authority, and Long Island Solar Farm LLC, Docket No. ER11-____-000

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act,¹ Section 35.12 of the Commission's Regulations,² and Section 11.3 of its Large Facility Interconnection Procedures ("LFIP"), the New York Independent System Operator, Inc. ("NYISO") hereby tenders for filing an executed standard large generator interconnection agreement ("Interconnection Agreement") among the NYISO, Long Island Lighting Company d/b/a LIPA ("LIPA") a wholly-owned subsidiary of Long Island Power Authority ("Authority"), and the Developer,³ Long Island Solar Farm LLC ("Long Island Solar Farm"). The Authority and LIPA join in this filing.⁴ With the 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.

¹ 16 U.S.C. § 824d (2006).

² 18 C.F.R. § 35.12 (2008).

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").

⁴ The Authority is a corporate municipal instrumentality and a political subdivision of the State of New York. Both the Authority and its operating subsidiary, LIPA, are non-jurisdictional municipal utilities pursuant to section 201(f) of the Federal Power Act. *See New York Independent System Operator, Inc.*, 111 FERC ¶ 61,266 (2005).

I. Background

Long Island Solar Farm's plant will be a 31.5 MW solar facility ("Facility"). The Facility will be located in Suffolk County, New York at the Brookhaven National Laboratory and will connect to LIPA's existing 69 kV 8ER Brookhaven Substation, as set forth in the oneline diagram provided as Figure A-1 in Appendix A of the Interconnection Agreement. Additional details regarding the interconnection of the Facility and its generating capability are found in Appendix C of the Interconnection Agreement.

In April 2008, the Authority issued a Request for Proposals for Solar Photovoltaic Generating Projects ("RFP") seeking to purchase energy and related capacity and renewable energy certificates ("RECs") for solar photovoltaic systems to meet LIPA's need for a diversified portfolio of electric generation on Long Island. The Long Island Solar Farm plant was one of the projects selected by the Authority's Board of Trustees in February 2009. Thereafter, negotiations between the Authority and Long Island Solar Farm occurred and a resulting Power Purchase Agreement ("PPA") was executed in February 2010.

II. Variations From the NYISO's *Pro Forma* LGIA

As noted above, the Interconnection Agreement is based on the NYISO's *pro forma* LGIA; however, the parties have agreed to make a limited set of modifications to the *pro forma* LGIA. These modifications are described below and are primarily necessary to reflect LIPA's status as a non-jurisdictional, tax exempt municipality as well as the existence of the PPA and other related agreements between the Authority and the Long Island Solar Farm. The Commission has accepted changes to the *pro forma* LGIA terms where there are unique circumstances associated with the interconnections, including "reliability concerns, novel legal issues or other unique factors."⁵ In fact, most of the parties' modifications to the *pro forma* LGIA in this Interconnection Agreement are identical to those accepted by the Commission on March 31, 2009 in Docket No. ER09-831-000. The NYISO respectfully requests that the Commission accept these modifications in light of the unique factors and novel legal issues explained below.

A. Deviations required to explicitly recognize LIPA's status as a non-jurisdictional, tax-exempt, municipal utility

The Interconnection Agreement includes several modifications recognizing LIPA's status as a non-jurisdictional municipal utility pursuant to FPA Section 201(f).⁶ As a municipal utility, LIPA is not subject to certain federal and state tax laws. Further, LIPA holds, and has the authority to issue, tax-exempt debt for use in the construction, operation and maintenance of its transmission system. LIPA's tax-exempt status and issuance of tax-exempt debt already is recognized under applicable terms of the NYISO OATT and related agreements.⁷ In addition, as

⁵ See *PJM Interconnection, LLC*, 111 FERC ¶ 61,163 at PP-10-11, *reh'g denied* 112 FERC ¶ 61,282 (2005).

⁶ 16 U.S.C. § 824(f) (2007).

⁷ See *e.g.*, NYISO OATT, Section 5.2B.

part of such protections, LIPA's transmission facilities are classified as "Transmission Facilities Requiring ISO Notification."⁸ Accordingly, this Interconnection Agreement includes the following set of changes:

- The Recitals have been modified to note LIPA's status as a non-jurisdictional municipal utility.
- Articles 2.1, 2.3.1 and 29.13 have been modified to delete the words "Connecting Transmission Owner" to reflect that the NYISO (in its role as the jurisdictional public utility) is individually making required filings with the Commission pursuant to the FPA. Article 29.13 is further modified, consistent with LIPA's non-jurisdictional status, to reflect that any party may make a unilateral filing with the Commission to modify this Interconnection Agreement pursuant to FPA Section 206.
- Article 3.1 has been modified to clarify that the filing of the Interconnection Agreement with the Commission by the NYISO shall not be construed as a waiver of LIPA's status as a non-jurisdictional municipal utility pursuant to FPA Section 201(f).
- Article 5.11 has been modified to classify the Attachment Facilities and Stand Alone System Upgrade Facilities as "Transmission Facilities Requiring ISO Notification" as is required for purposes of the protection of LIPA's tax-exempt status and for consistency with the treatment of all LIPA transmission facilities under the NYISO OATT.
- Article 5.17, which governs tax matters, has been deleted to reflect LIPA's tax-exempt status as a municipal utility. The parties have inserted the words "this Article is intentionally reserved" into Article 5.17, so the numbering for subsequent sections does not need to be adjusted due to the deletion.

These modifications do not change the substantive procedures and standards for interconnection. The purpose of these modifications is to properly reflect LIPA's nonjurisdictional status.

B. Revisions to reflect the timing of the execution of the Interconnection Agreement

Long Island Solar Farm has elected to seek both Energy Resource Interconnection Service and Capacity Resource Interconnection Service. The Interconnection Agreement was executed prior to completion of the Class Year study, which includes evaluation of deliverability that determines eligibility for Capacity Resource Interconnection Service. Long Island Solar

⁸ See *Central Hudson Gas and Electric Corp. et al*, 86 FERC ¶ 61,062, 61,213 (1999); *Central Hudson Gas and Electric Corp. et al*, 88 FERC ¶ 61,138, 61,402 (1999); and Agreement Between New York Independent System Operator and Transmission Owners, Appendix A-2.

Farm is a member of Class Year 2010. The Class Year 2010 study is not yet completed. Accordingly, the parties have modified the Interconnection Agreement by making Article 4.1.1. subject to the requirements of Appendix C, Section 2, which indicates that the Large Generating Facility may not supply Unforced Capacity to the NYCA until the applicable deliverability requirements are satisfied.

C. Deviations required due to the existence of related contractual agreements

LIPA and Long Island Solar Farm are parties to the PPA, an easement agreement, a license agreement and assent agreements pertaining to the Facility, which run with the land. Accordingly, the parties have agreed to modifications to Articles 5.12, 5.13, 28.1.3 and 29.6 to ensure that such agreements are not inadvertently superseded by the terms of the Interconnection Agreement. With respect to the interaction between the Interconnection Agreement and these other existing contractual agreements, Appendix C, Section 3 indicates that “[i]t is the belief and intention of the Parties that nothing in this [Interconnection] Agreement conflicts in any material way” with these other agreements. Further, as reflected in Appendix C, Section 3, if the parties become aware of a conflict, the parties will discuss “an amendment to this [Interconnection] Agreement that would be appropriate under the circumstances.” The parties have also modified the definitions in Article 1 to add a new defined term for “Power Purchase Agreement.”

D. Deviations required to correct errors in the *pro forma* LGIA

The Interconnection Agreement contains deviations to correct typographical errors in the *pro forma* LGIA definition of Capacity Resource Interconnection Service and Article 9. Specifically, the introductory paragraph under Article 1. DEFINITIONS clarifies that terms used in the Interconnection Agreement with initial capitalization that are not defined in Article 1 shall have the meanings specified in either Section 30.1 of Attachment X or Section 30.1 of Attachment S of the NYISO OATT. Additionally, the word “in” was inserted into the last sentence in the definition of “Byway” in Article 1.

III. Effective Date

The parties request an effective date of October 15, 2010. The Commission has allowed interconnection agreements to become effective on the date of execution, even when that date precedes the date that an interconnection agreement is filed.⁹ Accordingly, the parties request that the Commission grant a waiver of its prior notice requirements to the extent necessary to accommodate this requested effective date.

⁹ See, e.g., *New York Independent System Operator, Inc. and Niagara Mohawk Power Corp., Letter Order*, Docket No. ER08-985-000 (June 26, 2008) (accepting interconnection agreement effective as of the date of execution); *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); *New York Independent System Operator, Inc. and Niagara Mohawk Power Corp., Letter Order*, Docket No. ER08-427-000 (Feb. 28, 2008) (same); *New York Independent System Operator, Inc. and New York State Electric & Gas Corp., Letter Order*, Docket Nos. ER07-1329-000, *et al.* (Jan 3, 2008) (same).

IV. Communications and Correspondence

Communications regarding this filing should be directed to:

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V. Documents Submitted

The NYISO submits the following documents:

- A. this filing letter;
- B. a clean version of the Interconnection Agreement (“Attachment I”); and

- C. blacklined sheets showing the Interconnection Agreement's changes from the body of the NYISO's *pro forma* LGIA ("Attachment II").

VI. Service

The NYISO will send a paper copy of this filing to LIPA and Long Island Solar Farm. 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 electric utility regulatory agency of New Jersey. In addition, a complete copy of 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 attached Agreement effective as of October 15, 2010.

Respectfully submitted,

/s/ Sara B. Keegan

Sara B. Keegan
Counsel for the
New York Independent System Operator, Inc.

/s/ Joseph B. Nelson

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Counsel for the Long Island Lighting Company,
d/b/a LIPA, ("LIPA") and the Long Island Power
Authority ("Authority")