

June 20, 2017

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 PSEG Power New York, LLC; Request for Waiver of the 60-Day Notice Period; Docket No. ER17-____-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") (together, the "Joint Filing Parties") hereby tender for filing an executed Large Generator Interconnection Agreement entered into by the NYISO, National Grid, as the Connecting Transmission Owner, and PSEG Power New York, LLC ("PSEG"), as the Developer (the "Interconnection Agreement").³ The Interconnection Agreement is labeled as Service Agreement No. 2341 under the NYISO's Open Access Transmission Tariff ("OATT").

The Joint Filing Parties respectfully request that the Commission accept the Interconnection Agreement for filing. With limited non-conforming exceptions that are described and justified in Part I of this letter, the Interconnection Agreement conforms to the NYISO's *pro forma* Large Generator Interconnection Agreement ("Pro Forma LGIA") that is contained in Attachment X to the OATT. Further, as described in Part II of this letter, the Joint Filing Parties respectfully request a waiver of the Commission's prior notice requirements⁴ to make the Interconnection Agreement effective as of June 7, 2017, which is the date of its execution.

¹ 16 U.S.C. § 824d (2016).

² 18 C.F.R. § 35.12 (2016).

³ Capitalized terms that are not otherwise defined in this filing letter shall have the meaning specified in Attachments S or X of the NYISO OATT, and if not defined therein, in the NYISO OATT and NYISO Market Administration and Control Area Services Tariff.

⁴ See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, clarified, 65 FERC ¶ 61,081 (1993).

I. Discussion

A. Background

PSEG currently operates a combined-cycle facility located in Bethlehem, New York (“Facility”) under an interconnection agreement with National Grid that pre-dates the NYISO’s interconnection procedures.⁵ The Facility is comprised of three GE 7FA gas combustion turbines and one steam turbine and currently has net maximum generating capabilities of 763 MW (summer) and 853.8 MW (winter). PSEG is increasing the summer and winter capabilities of the Facility by installing advanced gas path equipment on the three gas combustion turbines. As a result of this upgrade to the Facility, the parties have entered into this Interconnection Agreement for the Facility in place of the previous two-party agreement. After the upgrade, the maximum generating capabilities of the Facility will be 835 MW (summer) and 905 MW (winter). Additional details regarding the Facility can be found in Appendix C of the Interconnection Agreement.

The Facility is currently interconnected to certain transmission facilities of National Grid. The Facility’s Points of Interconnection are at the connections to the 115 kV switchyard bus in the Albany Steam Station. Figure A-1 of Appendix A of the Interconnection Agreement provides a one-line diagram showing the Point of Interconnection.

B. The Interconnection Agreement Closely Conforms to the Pro Forma LGIA Contained in Attachment X of the NYISO OATT

The Interconnection Agreement was executed on June 7, 2017 by the NYISO, National Grid, and PSEG. The Interconnection Agreement follows the language in the Pro Forma LGIA contained in Attachment X of the NYISO OATT with limited exceptions. The Interconnection Agreement contains two limited variations from the Pro Forma LGIA that are described in this Part I.B. These variations are necessary to address the unique circumstances of this interconnection and to accurately describe the operational control of the attachment facilities and upgrades associated with the Facility. The Joint Filing Parties submit that the change specified below satisfies the Commission’s standard for variations from the Pro Forma LGIA, because unique circumstances exist that require a non-conforming agreement.⁶ Therefore, the Joint Filing Parties respectfully request that the Commission accept the Interconnection Agreement with the limited non-conforming changes.

⁵ See *Niagara Mohawk Power Corporation*, Letter Order, Docket No. ER03-1258-000 (October 22, 2003); *Niagara Mohawk Power Corporation*, Letter Order, Docket No. ER00-1191-000 (March 17, 2000).

⁶ See, e.g., *PJM Interconnection, LLC*, 111 FERC ¶ 61,163 at PP 10-11, *reh’g denied*, 112 FERC ¶ 61,282 (2005).

1. Modifications to Address Limited Operation of the Facility Prior to Completion of Certain Upgrade Facilities

The parties have determined that certain System Upgrade Facilities will not be completed prior to PSEG's completion of some or all of the upgrades to its gas combustion turbines. Consistent with Section 5.9 of the Pro Forma LGIA, the parties performed certain analysis and determined the extent to which the Facility can operate at its maximum generating capability, as modified by the completion of each turbine upgrade, prior to the completion of the System Upgrade Facilities. The description of the limited operation of the Facility is described in Section 3 of Appendix C of the Interconnection Agreement. Accordingly, the parties have modified Section 4.1.1 of the Interconnection Agreement to provide that the NYISO's provision of Energy Resource Interconnection Service and Capacity Resource Interconnection Service are subject to the limited operations requirements in Section 3 of Appendix C. The Commission has previously accepted this change to the Pro Forma LGIA in similar circumstances.⁷

2. Modifications to Address Operational Control of Attachment Facilities and Upgrades

The parties have agreed to modify Article 5.11 ("Connecting Transmission Owner's Attachment Facilities Construction") to provide that National Grid shall "not" transfer to the NYISO operational control of the Connecting Transmission Owner's Attachment Facilities ("CTOAFs") and Stand-Alone System Upgrade Facilities ("SASUFs") associated with the Facility. This change is necessary because National Grid will retain operational control over these 115 kV facilities. The Commission has previously accepted this change to the Pro Forma LGIA in similar circumstances.⁸

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

The Joint Filing Parties request an effective date of June 7, 2017, which is the date of its execution. The Joint Filing Parties respectfully request that the Commission waive its prior notice requirement to permit the requested effective date. The Commission has previously permitted interconnection agreements to become effective upon the date of execution.⁹

⁷ See *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER17-352-000 (January 5, 2017) (accepting modifications to Section 4.1.1 of the filed interconnection agreement to address limited operations).

⁸ See, e.g., *New York Independent System Operator, Inc. and Niagara Mohawk Power Corp.*, Letter Order, Docket No. ER10-1507-000 (August 17, 2010); *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER09-905-000 (May 15, 2009).

⁹ 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).

III. Communications and Correspondence

All communications and service in this proceeding should be directed to:

For the NYISO¹⁰

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*Designated to receive service.

¹⁰ The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) (2014) to permit service on counsel in both Washington, D.C. and Richmond, VA.

IV. Documents Submitted

The NYISO submits the following documents with this filing letter:

- A clean version of the Interconnection Agreement (Attachment I);
- A blacklined version of the Interconnection Agreement showing the changes from the body of the Pro Forma LGIA (Attachment II); and
- The signature pages for the Interconnection Agreement (Attachment III).

V. 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 documents included with this filing will be posted on the NYISO's website at www.nyiso.com.

VI. Conclusion

Wherefore, the Joint Filing Parties respectfully request that the Commission accept the Interconnection Agreement for filing with an effective date of June 7, 2017.

Respectfully submitted,

/s/ Sara B. Keegan

Sara B. Keegan

Counsel for the

New York Independent System Operator, Inc.

/s/ David C. Lodemore

David C. Lodemore

Counsel for Niagara Mohawk Power Corporation

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