

July 26, 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., Long Island Lighting Company d/b/a LIPA, and Shoreham Solar Commons 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") hereby tenders for filing an executed Large Generator Interconnection Agreement entered into by the NYISO, Long Island Lighting Company d/b/a LIPA ("LIPA"), a wholly-owned subsidiary of the Long Island Power Authority ("Authority"),³ as the Connecting Transmission Owner, and Shoreham Solar Commons LLC ("Shoreham"), as the Developer (the "Interconnection Agreement").⁴ The Authority and LIPA join in this filing.⁵ The Interconnection Agreement is labeled as Service Agreement No. 2344 under the NYISO's Open Access Transmission Tariff ("OATT"). The Parties respectfully request waiver of the Commission's 60-day notice period to make this Amended Agreement effective as of July 11, 2017.

¹ 16 U.S.C. § 824d (2016).

² 18 C.F.R. § 35.12 (2016).

³ The Interconnection Agreement was executed by and is being administered by Long Island Electric Utility Servco LLC on behalf of LIPA, as LIPA's agent.

⁴ 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.

⁵ 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).

The NYISO respectfully requests that the Commission accept the Interconnection Agreement for filing. With limited non-conforming exceptions, the justification for which is described 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 NYISO respectfully requests a waiver of the Commission's prior notice requirements⁶ to make the Interconnection Agreement effective as of July 11, 2017, which is the date it was fully executed.

I. Discussion

A. Background

Shoreham is constructing a solar facility in Suffolk County, New York ("Facility"). The Facility will have an expected maximum summer and winter generating capacity of 24.9 MW. Additional details regarding the Facility can be found in Appendix C of the Interconnection Agreement.

The Facility will interconnect to certain transmission facilities of LIPA that are part of the New York State Transmission System. The Point of Interconnection is on LIPA's 69 kV line approximately 2.1 miles from the Ridge Substation and 3.5 miles from the Wildwood Substation. 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 by the NYISO, LIPA, and Shoreham, with full execution of the Interconnection Agreement on July 11, 2017. The Interconnection Agreement follows the language in the Pro Forma LGIA contained in Attachment X of the NYISO OATT with limited exceptions described below. The limited modifications described in this Part I.B are required to address: (i) LIPA's status as a non-jurisdictional, tax-exempt municipal utility, (ii) the execution of this agreement prior to the completion of the NYISO's Class Year Interconnection Facilities Study, and (iii) the existence of a related contractual agreement. The NYISO submits that the modifications specified below satisfy the Commission's standard for variations from the Pro Forma LGIA, because unique circumstances exist that require a non-conforming agreement.⁷ Therefore, the NYISO respectfully requests that the Commission accept the Interconnection Agreement with the limited non-conforming changes.

⁶ See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, *clarified*, 65 FERC ¶ 61,081 (1993).

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

1. Modifications Required to Address 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 Section 201(f) of the Federal Power Act ("FPA").⁸ 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 nonjurisdictional status under FPA, Section 201(f), its tax-exempt status and issuance of tax-exempt debt already is recognized under applicable terms of the NYISO OATT and related agreements. 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 Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities as "Transmission Facilities Requiring ISO Notification" as is required to protect LIPA's tax-exempt status and for consistent 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 non-jurisdictional and tax-exempt status. The Commission has previously accepted these modifications to the Pro Forma LGIA.⁹ In addition, the parties agreed to revise the preamble and the language preceding the

⁸ 16 U.S.C. § 824(f).

⁹ See, e.g., *New York Independent System Operator*, Letter Order, Docket No. ER11-1975-000 (December 15, 2010). This interconnection agreement was subsequently re-filed by the NYISO to

signature block on page 60 to reflect the fact that LIPA's agent, Long Island Electric Utility Servco LLC, will be executing the Interconnection Agreement on behalf of LIPA.

2. Modifications to Address Execution of Interconnection Agreement Prior to Completion of Class Year Study

Shoreham has elected to seek both Energy Resource Interconnection Service ("ERIS") and Capacity Resource Interconnection Service ("CRIS"). Shoreham is participating in the current Class Year Interconnection Facilities Study ("Class Year Study"), which is still underway. The Class Year Study identifies required System Upgrade Facilities for the reliable interconnection of all of the facilities in the Class Year and determines whether any System Deliverability Upgrades are required for the Facility to be fully deliverable at its requested level of CRIS.

Since the Class Year Study was not completed at the time the parties executed the Interconnection Agreement, the parties modified Article 4.1.1 of the Interconnection Agreement to provide that the NYISO's provision of ERIS and CRIS is subject to the requirements in Section 6 of Appendix A and Section 2(d) of Appendix C of the Interconnection Agreement. Section 6 of Appendix A provides that if the Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities, and System Deliverability Upgrades identified in the Class Year Study differ in any material way from the facilities described in the Interconnection Agreement, the parties will amend the Interconnection Agreement to incorporate the results of the Class Year Study. In addition, Section 2(d) of Appendix C provides that Shoreham may not supply Unforced Capacity to the New York Control Area from the Facility until it has complied with the deliverability requirements set forth in Attachment S of the OATT, including acceptance of any cost allocation for System Deliverability Upgrades and the posting of associated security or payments. The Commission has previously accepted these types of changes to the Pro Forma LGIA where, as here, the Developer was participating in a pending Class Year Study at the time the Interconnection Agreement was executed.¹⁰

3. Modification Required to Address the Existence of a Related Contractual Agreement

LIPA and Shoreham are parties to a purchase and sale agreement pertaining to the Facility. Accordingly, the parties have agreed to modify Article 29.6 of the Interconnection Agreement to ensure that such agreement is not inadvertently superseded by the terms of the Interconnection Agreement. With respect to the interaction between the Interconnection Agreement and the purchase and sale agreement, Section 3(b) of Appendix C provides that "It is the belief and intention of the Connecting Transmission Owner and Developer that nothing in the

address an eTariff display issue and accepted by the Commission. *New York Independent System Operator*, Letter Order, Docket No. ER11-1975-001 (February 18, 2011).

¹⁰ See, e.g., *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER11-2199-000 (December 28, 2010) (accepting revisions to CRIS requirements in Pro Forma LGIA to reflect the timing of the execution of the interconnection agreement).

Purchase and Sale Agreement conflicts in any material way with this Agreement.” Further, as provided in Section 3(b), if the parties become aware of a conflict, the parties will discuss: “amendment to the Purchase and Sale Agreement that would be appropriate under the circumstances.” The Commission has previously accepted this type of change.¹¹

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

The NYISO requests an effective date of July 11, 2017, which is the date the Interconnection Agreement was fully executed. The NYISO respectfully requests that the Commission waive its prior notice requirement to permit the requested effective date. The Commission has previously permitted interconnection agreements to become effective as of the date of execution.¹²

III. Communications and Correspondence

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

For the NYISO¹³

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¹¹ See footnote 8 above; see also *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER17-467-000 (January 23, 2017) (accepting revision to Article 29.6 that addressed requirements for Additional Agreements in Appendix C of the Interconnection Agreement); *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER11-2199-000 (December 28, 2010) (same).

¹² 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).

¹³ 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.

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IV. Documents Submitted

The NYISO respectfully 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 NYISO respectfully requests that the Commission accept the Interconnection Agreement for filing with an effective date of July 11, 2017.

Respectfully submitted,

/s/ Sara B. Keegan

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Counsel for the
New York Independent System Operator, Inc.

/s/ Joseph B. Nelson

Joseph B. Nelson
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