

Attachment V

25.1 Introduction

25.1.1 Purpose of the Rules

The purpose of these rules is (1) to allocate responsibility among Developers and Transmission Owners and Load Serving Entities (“LSEs”), as described herein, for the cost of the new interconnection facilities that are required for the reliable interconnection of generation projects and Class Year Transmission Projects to the New York State Transmission System and to the Distribution System in compliance with the requirements of the type of interconnection service elected by the project Developer-; and (2) allocate responsibility for the cost of interconnection facilities required for Capacity Resource Interconnection service (“CRIS”) and interconnection in compliance with the NYISO Deliverability Interconnection Standard.

Section 25.6 of this Attachment S describes the rules to estimate and allocate responsibility for the cost of the interconnection facilities required for Energy Resource Interconnection Service (“ERIS”) and interconnection in compliance with the NYISO Minimum Interconnection Standard. Section 25.7 of this Attachment S describes the rules to estimate and allocate responsibility for the cost of interconnection facilities required for CRIS and interconnection in compliance with the NYISO Deliverability Interconnection Standard. Every Developer is responsible for the cost of the new interconnection facilities required for the reliable interconnection of its generation project or Class Year Transmission Project in compliance with the NYISO Minimum Interconnection Standard, as that responsibility is determined by these rules. In addition, every Developer electing CRIS is also responsible for the cost of the interconnection facilities required pursuant to the NYISO Deliverability Interconnection Standard, as that responsibility is determined by these rules.

These rules cover (i) Large Facilities greater than 20 MW subject to the Large Facility Interconnection Procedures set out in Attachment X to the ISO OATT (“LFIP”), (ii) Small Generating Facilities no larger than 20 MW subject to the Small Generator Interconnection Procedures set out in Attachment Z to the ISO OATT (“SGIP”) that are required to enter a Class Year Study pursuant to Section 32.3.5.3.2 of the SGIP, and facilities greater than 2 MW that seek to obtain or increase CRIS beyond the levels permitted by this Attachment S, Section 30.3.2.6 of the LFIP and Section 32.4.11.1 of the SGIP, as applicable.

As described herein, the intent is that each Developer be held responsible for the net impact of the interconnection of its project on the reliability of the New York State Transmission System. A Developer is held responsible for the cost of the interconnection facilities that are required by its project, facilities that would not be required but for its project. However, a Developer is not responsible for the cost of facilities that are, without considering the impact of its project, required to maintain the reliability of the New York State Transmission System. Transmission Owners are, in accordance with the ISO OATT and FERC precedent, responsible for the cost of the facilities that are, without considering the impact of the Developer’s project, required to maintain the reliability of the New York State Transmission System.

25.1.2 Definitions

Unless defined here in Section 25.1.2 of this Attachment S, the definition of each defined term used in this Attachment S shall be the same as the definition for that term set forth in Section 1 of the ISO Open Access Transmission Tariff (“OATT”), Section 30.1 of Attachment X to the ISO OATT, Attachment Z to the ISO OATT, or Section 2 of the ISO Services Tariff.

Acceptance Notice: The notice by which a Developer communicates to the ISO its decision to accept a Project Cost Allocation or Revised Project Cost Allocation.

Additional SDU Study: A study that a Developer may elect to pursue if the Class Year Deliverability Study identifies the need for a new System Deliverability Upgrade (i.e., a System Deliverability Upgrade not previously identified and cost allocated in a Class Year Study and not substantially similar to a System Deliverability Upgrade previously identified and cost allocated in a Class Year Study) that requires additional study.

Affected System: An electric system other than the transmission system owned, controlled or operated by the Connecting Transmission Owner that may be affected by the proposed interconnection.

Affected System Operator: The entity that operates an Affected System.

Affected Transmission Owner: The New York public utility or authority (or its designated agent) other than the Connecting Transmission Owner that (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff, and (ii) owns, leases or otherwise possesses an interest in a portion of the New York State Transmission System where System Deliverability Upgrades, System Upgrade Facilities, or Network Upgrade Facilities are or will be installed pursuant to Attachment P, Attachment X, Attachment S, or Attachment Z to the OATT.

Annual Transmission Baseline Assessment (“ATBA”): An assessment conducted by the ISO staff in cooperation with Market Participants, to identify the System Upgrade Facilities that Transmission Owners are expected to need during the time period covered by the Assessment to comply with Applicable Reliability Requirements, and reliably meet the load growth and changes in load pattern projected for the New York Control Area.

Annual Transmission Reliability Assessment (“ATRA”): An assessment, conducted by the ISO staff in cooperation with Market Participants, to determine the System Upgrade Facilities required for each generation project and Class Year Transmission Project included in this Assessment to interconnect to the New York State Transmission System in compliance with Applicable Reliability Requirements and the NYISO Minimum Interconnection Standard.

Applicable Reliability Requirements: The NYSRC Reliability Rules and other criteria, standards and procedures, as described in Section 25.6.1.1.1.1 of this Attachment S, applied when conducting the Annual Transmission Baseline Assessment and the Annual Transmission Reliability Assessment to determine the System Upgrade Facilities needed to maintain the reliability of the New York State Transmission System. The Applicable Reliability Requirements applied are those in effect when the particular assessment is commenced.

Article VII Certificate: The certificate of environmental compatibility and public need required under Article VII of the New York State Public Service Law for the siting and construction of any new transmission facility of a size and type specified in the statute.

Article 10 Certificate: The certificate of environmental compatibility and public need required under Article 10 of the New York State Public Service Law for the siting and construction of electric generating facilities with greater than 25 megawatts of capacity.

Attachment Facilities: The Connecting Transmission Owner's Attachment Facilities and the Developer's Attachment Facilities. Collectively, Attachment Facilities include all facilities and equipment between the Large Generating Facility or Class Year Transmission Project and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Large Facility to the New York State Transmission System. Attachment Facilities are sole use facilities and shall not include Stand Alone System Upgrade Facilities, Distribution Upgrades, System Upgrade Facilities or System Deliverability Upgrades.

Byway: All transmission facilities comprising the New York State Transmission System that are neither Highways nor Other Interfaces. All transmission facilities in Zone J and Zone K are Byways.

Capacity Region: One of four subsets of the Installed Capacity statewide markets comprised of: (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.*, Zone K), except for Class Year Interconnection Facility Studies conducted prior to Class Year 2012, for which "Capacity Region" shall be defined as set forth in Section 25.7.3 of this Attachment S.

Capacity Resource Interconnection Service ("CRIS"): The service provided by the ISO to Developers that satisfy the NYISO Deliverability Interconnection Standard or that are otherwise eligible to receive CRIS in accordance with this Attachment S; such service being one of the eligibility requirements for participation as an ISO Installed Capacity Supplier.

Class Year: The group of generation projects and Class Year Transmission Projects included in any particular Class Year Interconnection Facilities Study (Annual Transmission Reliability Assessment and ~~or~~ Class Year Deliverability Study), in accordance with the criteria specified in this Attachment S and in Attachment Z for including such projects.

Class Year CRIS Project: A Class Year Project with an executed Class Year Interconnection Facilities Study Agreement entering a Class Year Study for a CRIS evaluation, that thereby becomes one of the group of Class Year Projects included in the Class Year Deliverability Study. A Class Year CRIS Project may be a "CRIS-only" project that is entering a Class Year Study only for a CRIS evaluation, or it may be a project seeking both ERIS and CRIS.

Class Year Deliverability Study: An assessment, conducted by the ISO staff in cooperation with Market Participants, to determine whether System Deliverability Upgrades are required for Class Year CRIS Projects under the NYISO Deliverability Interconnection Standard.

Class Year Interconnection Facilities Study ("Class Year Study") shall mean a study conducted by the ISO or a third party consultant for the Developer to determine a list of facilities (including Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, System Upgrade Facilities and System Deliverability Upgrades as identified in the Interconnection System Reliability Impact Study), the cost of those facilities, and the time required to interconnect the Large Generating Facility or Class Year Transmission Project with the New York State Transmission System or with the Distribution System. The scope of the

study is defined in Section 30.8 of the Large Facility Interconnection Procedures in Attachment X to the ISO OATT.

Class Year Interconnection Facilities Study Agreement ([“Class Year Study Agreement”](#)) shall mean the form of agreement contained in Appendix 2 of the Large Facility Interconnection Procedures in Attachment X to the ISO OATT for conducting the Class Year Interconnection Facilities Study.

Class Year Project: An Eligible Class Year Project with an executed Class Year Interconnection Facilities Study Agreement that thereby becomes one of the group of generation projects and Class Year Transmission Projects included in any particular Class Year Interconnection Facilities Study (Annual Transmission Reliability Assessment and/or Class Year Deliverability Study), in accordance with the criteria specified in this Attachment S and in Attachment Z for including such projects.

Class Year Start Date: The deadline for Eligible Class Year Projects to enter a Class Year Interconnection Facilities Study, determined in accordance with Section 25.5.9 of this Attachment S.

Class Year Transmission Project shall mean a Developer’s proposed new transmission facility that will interconnect to the New York State Transmission System or a proposed upgrade—an improvement to, addition to, or replacement of a part of an existing transmission facility—to the New York State Transmission System, for which [\(1\) the Developer is eligible to request and does request Capacity Resource Interconnection Service, subject to the eligibility requirements set forth in the ISO Procedures; or \(2\) the Developer requests only Energy Resource Interconnection Service and the transmission facility for which it requests Energy Resource Interconnection Service is a transmission facility over which power flow can be directly controlled by power flow control devices directly connected to the Class Year Transmission Project without having to re-dispatch generation.](#) Class Year Transmission Projects shall not include Attachment Facilities, Network Upgrade Facilities, System Upgrade Facilities or System Deliverability Upgrades.

Connecting Transmission Owner: The New York public utility or authority (or its designated agent) that (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff, (ii) owns, leases or otherwise possesses an interest in the portion of the New York State Transmission System or Distribution System at the Point of Interconnection, and (iii) is a Party to the Standard Large Generator Interconnection Agreement.

Contribution Percentage: The ratio of an interconnection project’s measured impact or pro rata contribution to a System Upgrade Facility identified in the Annual Transmission Reliability Assessment, to the sum of the measured impacts or pro rata contributions of all the projects that have at least a *de minimus* impact or contribution to the System Upgrade Facility.

Developer: For purposes of this Attachment S, references to Developer(s) include (i) Developer(s) of Large Facilities, (ii) Interconnection Customers of Small Generating Facilities subject to the Rules in this Attachment S pursuant to Section 32.1.1.7 and/or Section 32.3.5.3.2

of Attachment Z to the OATT; and (iii) owners of facilities seeking to obtain or increase CRIS as permitted by this Attachment S.

Distribution System: The Transmission Owner's facilities and equipment used to distribute electricity that are subject to FERC jurisdiction, and are subject to the ISO's Large Facility Interconnection Procedures in Attachment X to the ISO OATT or Small Generator Interconnection Procedures in Attachment Z to the ISO OATT under FERC Order Nos. 2003 and/or 2006. The term Distribution System shall not include LIPA's distribution facilities.

Distribution Upgrades: The modifications or additions to the existing Distribution System at or beyond the Point of Interconnection that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Minimum Interconnection Standard. Distribution Upgrades do not include Interconnection Facilities, System Upgrade Facilities, or System Deliverability Upgrades.

Eligible Class Year Project: Any Developer or Interconnection Customer that (i) satisfies the criteria for inclusion in the next Class Year Interconnection Facilities Study, as those criteria are specified in Sections 25.5.9 and 25.6.2.3.1 of this Attachment S, Section 32.1.1.7 of Attachment Z to the OATT and/or Section 32.3.5.3.2 of Attachment Z to the OATT; or (ii) that seeks evaluation in a Class Year Study to obtain or increase CRIS as permitted by this Attachment S and satisfies the criteria for inclusion in the next Class Year Interconnection Facilities Study specified in Section 25.5.9 of this Attachment S.

Energy Resource Interconnection Service “(ERIS”): The service provided by the ISO to interconnect the Developer's Large Generating Facility, Class Year Transmission Project or Small Generating Facility required to participate in a Class Year Interconnection Facilities Study under Section 32.3.5.3 of Attachment Z to the New York State Transmission System or to the Distribution System, in accordance with the NYISO Minimum Interconnection Standard, to enable the New York State Transmission System to receive Energy and Ancillary Services from the Large Generating Facility, Class Year Transmission Project or Small Generating Facility required to participate in a Class Year Interconnection Facilities Study under Section 32.3.5.3 of Attachment Z, pursuant to the terms of the ISO OATT.

Existing System Representation: The representation of the New York State Power System developed as specified in Section 25.5.5 of this Attachment S.

Expedited Deliverability Study: A study conducted by the ISO or a third party consultant to determine the extent to which an existing or proposed facility satisfies the NYISO Deliverability Interconnection Standard at its requested CRIS level without the need for System Deliverability Upgrades. The schedule and scope of the study is defined in Sections 25.5.9.2.1 and 25.7.1.2 of this Attachment S.

External CRIS Rights: A determination of deliverability within the Rest of State Capacity Region (*i.e.*, Load Zones A – F), awarded by the ISO for a term of five (5) years or longer, to a specified number of Megawatts of External Installed Capacity that satisfy the requirements set forth in Section 25.7.11 of this Attachment S to the ISO OATT, and that can be certified in a

Bilateral Transaction used for the NYCA and not a Locality, or sold into the NYCA for an Installed Capacity auction and not in an Installed Capacity auction for a Locality.

External-to-ROS Deliverability Rights: The meaning set forth in Section 2.5 of the Services Tariff.

Final Decision Round: The round of ISO-communicated cost estimates and Developer responses for a Class Year Interconnection Facilities Study, in which all remaining eligible Developers issue an Acceptance Notice and post Security.

Financial Settlement: The Settlement Agreement approved by FERC in Docket Nos. EL02-125-000 and EL02-125-001 addressing the financial issues raised in those proceedings.

Headroom: The functional or electrical capacity of the System Upgrade Facility or the electrical capacity of the System Deliverability Upgrade that is in excess of the functional or electrical capacity actually used by the Developer's generation project or Class Year Transmission Project.

Highway: 115 kV and higher transmission facilities that comprise the following NYCA interfaces: Dysinger East, West Central, Volney East, Moses South, Central East/Total East, and UPNY-ConEd, and their immediately connected, in series, Bulk Power System facilities in New York State. Each interface shall be evaluated to determine additional "in series" facilities, defined as any transmission facility higher than 115 kV that (a) is located in an upstream or downstream zone adjacent to the interface and (b) has a power transfer distribution factor (DFAX) equal to or greater than five percent when the aggregate of generation in zones or systems adjacent to the upstream zone or zones which define the interface is shifted to the aggregate of generation in zones or systems adjacent to the downstream zone or zones which define the interface. In determining "in series" facilities for Dysinger East and West Central interfaces, the 115 kV and 230 kV tie lines between NYCA and PJM located in LBMP Zones A and B shall not participate in the transfer. Highway transmission facilities are listed in ISO Procedures.

Initial Decision Period: The 30 calendar day period within which a Developer must provide an Acceptance Notice or Non-Acceptance Notice to the ISO in response to the first Project Cost Allocation issued by the ISO to the Developer.

Interconnection System Reliability Impact Study ("SRIS"): An engineering study that evaluates the impact of the proposed Large Generation Facility or Class Year Transmission Project on the safety and reliability of the New York State Transmission System and, if applicable, an Affected System, to determine what Attachment Facilities, Distribution Upgrades and System Upgrade Facilities are needed for the proposed Large Generation Facility or Class Year Transmission Project of the Developer to connect reliably to the New York State Transmission System or to the Distribution System in a manner that meets the NYISO Minimum Interconnection Standard for ERIS. The scope of the SRIS is defined in Section 7.3 of the Large Facility Interconnection Procedures in Attachment X to the ISO OATT.

Large Facility: A Large Generating Facility or a Class Year Transmission Project.

NERC Planning Standards: The transmission system planning standards of the North American Electric Reliability Council.

Non-Acceptance Notice: The notice by which a Developer communicates to the ISO its decision not to accept a Project Cost Allocation or Revised Project Cost Allocation.

Non-Financial Settlement: The Settlement Agreement approved by FERC in Docket Nos. EL02-125-000 and EL01-125-001 addressing non-financial issues for future cost allocations.

NPCC Basic Design and Operating Criteria: The transmission system design and operating criteria of the Northeast Power Coordinating Council.

NYISO Deliverability Interconnection Standard: The standard that must be met, unless otherwise provided for by this Attachment S, by (i) any generation facility larger than 2 MW in order for that facility to obtain CRIS (ii) any Class Year Transmission Project; (iii) any entity requesting External CRIS Rights, and (iv) any entity requesting a CRIS transfer pursuant to Section 25.9.5 of this Attachment S. To meet the NYISO Deliverability Interconnection Standard, the Developer must, in accordance with these rules, fund or commit to fund any System Deliverability Upgrades identified for its project in the Class Year Deliverability Study.

NYISO Load and Capacity Data Report: The annual ISO survey of power demand and supply in New York State, published pursuant to Section 6-106 of the Energy Law of New York State.

NYISO Minimum Interconnection Standard: The reliability standard described in Section 25.2 of this Attachment S that must be met by any generation project or Class Year Transmission Project that is subject to ISO's Large Facility Interconnection Procedures in Attachment X to the ISO OATT or the ISO's Small Generator Interconnection Procedures in Attachment Z to the ISO OATT, that is proposing to connect to the New York State Transmission System or to the Distribution System to obtain ERIS. The Standard is designed to ensure reliable access by the proposed project to the New York State Transmission System or to the Distribution System, as applicable. The Standard does not impose any deliverability test or deliverability requirement on the proposed project.

NYSRC Reliability Rules: The reliability rules of the New York State Reliability Council.

Open Class Year: Class Year open for new members pursuant to the Class Year Start Date deadline specified in Section 25.5.9 of this Attachment S.

Other Interfaces: The following Interfaces into Capacity Regions: Lower Hudson Valley [*i.e.*, Rest of State (Load Zones A-F) to Lower Hudson Valley (Load Zones G, H and I)]; New York City [*i.e.*, Lower Hudson Valley (Load Zones G, H and I) to New York City (Load Zone J)]; and Long Island [*i.e.*, Lower Hudson Valley (Load Zones G, H and I) to Long Island (Load Zone K)], and the following Interfaces between the NYCA and adjacent Control Areas: PJM to NYISO, ISO-NE to NYISO, Hydro-Quebec to NYISO, and Norwalk Harbor (Connecticut) to Northport (Long Island) Cable.

Overage Cost: The dollar amount by which the total cost of System Upgrade Facilities identified in the Annual Transmission Reliability Assessment exceeds the total cost of System Upgrade Facilities considered in the Annual Transmission Baseline Assessment for the same Class Year.

Overage Cost Percentage: The ratio of the Overage Cost to the total cost of System Upgrade Facilities identified in the Annual Transmission Reliability Assessment.

Project Cost Allocation: The dollar figure estimate for a Developer's share of the cost of the System Upgrade Facilities required for the reliable interconnection of its project to the New York State Transmission System or to the Distribution System and/or the share of the cost of the System Deliverability Upgrades required for the Developer's project to meet the NYISO Deliverability Interconnection Standard.

Revised Project Cost Allocation: The revised dollar figure cost estimate and related information provided by the ISO to a Developer following receipt by the ISO of a Non-Acceptance Notice, or upon the occurrence of a Security Posting Default by another member of the respective Class Year.

Security: Under the interconnection facilities cost allocation rules set out in [this](#) Attachment S, a Developer must signify its willingness to pay the Connecting Transmission Owner and Affected Transmission Owner(s) for the Developer's share of the required System Upgrade Facilities and System Deliverability Upgrades by posting Security for the full amount of the Developer's share within a specified time frame. The Security can be a bond, irrevocable letter of credit, parent company guarantee or other form of security from an entity with an investment grade rating, executed for the benefit of the Connecting Transmission Owner and Affected Transmission Owner(s), meeting the requirements of [this](#) Attachment S, and meeting the commercially reasonable requirements of the Connecting Transmission Owner and Affected Transmission Owner(s).

Security Posting Default: A failure by one or more Developers to post Security as required by this Attachment S.

Subsequent Decision Period: A seven calendar day period within which a Developer must provide an Acceptance Notice or Non-Acceptance Notice to the ISO in response to the Revised Project Cost Allocation issued by the ISO to the Developer.

System Deliverability Upgrades: The least costly configuration of commercially available components of electrical equipment that can be used, consistent with Good Utility Practice and Applicable Reliability Requirements, to make the modifications or additions to Byways and Highways and Other Interfaces on the existing New York State Transmission System that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Deliverability Interconnection Standard at the requested level of Capacity Resource Interconnection Service.

System Upgrade Facilities: The least costly configuration of commercially available components of electrical equipment that can be used, consistent with Good Utility Practice and Applicable Reliability Requirements, to make the modifications to the existing transmission

system that are required to maintain system reliability due to: (i) changes in the system, including such changes as load growth, and changes in load pattern, to be addressed in accordance with Section 25.4.1 of this Attachment S; and (ii) proposed interconnections. In the case of proposed interconnection projects, System Upgrade Facilities are the modifications or additions to the existing New York State Transmission System that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Minimum Interconnection Standard.

25.2 Minimum Interconnection Standard

25.2.1 Scope and Purpose of Standard:

Each Large Facility, ~~or~~ and each Small Generating Facility subject to this Attachment S pursuant to Section 32.3.5.3.2 of Attachment Z, ~~regardless of whether the Developer elects ERIS,~~ must, ~~to obtain ERIS, meet~~ be evaluated under the NYISO Minimum Interconnection Standard in a Class Year Study. A Transmission Owner that has constructed a reliability-based transmission or distribution system upgrade, or an upgrade pursuant to an order issued by a regulatory body requiring such construction, will not be deemed to be a Developer under these rules because of the construction of that upgrade.

25.2.1.1 The NYISO Minimum Interconnection Standard is designed to ensure reliable access by the proposed project to the New York State Transmission System and to the Distribution System. The NYISO Minimum Interconnection Standard does not impose any deliverability test or deliverability requirement on the proposed project. Application of these rules, including the Annual Transmission Baseline Assessment and the Annual Transmission Reliability Assessment, to allocate responsibility for the cost of new transmission facilities to permit interconnection is not intended to affect the NYISO Minimum Interconnection Standard.

25.2.1.1.1 Consequently, the Minimum Interconnection Standard is not intended to address in any way the allocation of responsibility for the cost of upgrades and other new facilities associated with transmission service and the delivery of power across the Transmission System, the reduction of Congestion, economic

transmission system upgrades, or the mitigation of Transmission System overloads associated with the delivery of power.

25.2.1.1.2 It is not anticipated that the installation of any interconnection facilities covered by the Minimum Interconnection Standard will improve the deliverability of power, reduce Congestion, or mitigate overloads associated with the delivery of power. If the installation of any facilities by a Developer does improve deliverability, reduce Congestion and create Incremental Transmission Congestion Contracts, or mitigate overloads, then that situation will be handled in accordance with the relevant provisions of the ISO OATT, including Sections 3.7 and 4.5, and applicable FERC precedent.

25.3 Deliverability Interconnection Standard

25.3.1 Scope and Purpose of Standard

Each ~~Large Facility or Small Generating Facility~~proposed or existing facility larger than 2 MW ~~that is proposed by a Developer~~, and each facility with CRIS that requests an increase to its CRIS, must meet the NYISO Deliverability Interconnection Standard before it can receive CRIS or Unforced Capacity Deliverability Rights, unless otherwise provided for in this Attachment S.

Pursuant to Section 32.1.1.7 of Attachment Z to the OATT, a Small Generating Facility 2 MW or smaller may obtain CRIS without being evaluated for deliverability under the NYISO Deliverability Interconnection Standard. The requirement that a facility not subject to the ISO's Large Facility Interconnection Procedures or Small Generator Interconnection Procedures must meet the NYISO Deliverability Interconnection Standard to become a qualified Installed Capacity Supplier first applies on May 19, 2016, subject to the transition rule specified in Section 25.9.3.4.1 of this Attachment S.

Any facility with an established CRIS value may, at a later date, without submitting a new Interconnection Request, ask the ISO to reevaluate the facility for a higher level of MW of Installed Capacity, not to exceed the nameplate rating of the facility, by including the facility in a Class Year Study or Expedited Deliverability Study to identify the System Deliverability Upgrades, if any, needed for the facility to be declared deliverable at the higher level of MW. Any facility with an established CRIS value may, without such evaluation and without submitting a new Interconnection Request, increase its existing CRIS value by a total of no more than 2 MW of Installed Capacity during the operating life of the facility. Pursuant to Section 30.3.2.6 of Attachment X to the ISO OATT, an "established CRIS value" for facilities subject to

a CRIS set and reset period pursuant to Sections 25.9.3.3, 25.9.3.1.4.1, 25.9.3.1.4.2, or 25.9.3.5 of this Attachment S is the final CRIS value established after the termination of the CRIS set and reset period.

As defined in Section 25.1 of this Attachment S, the term “Large Facility” includes a Class Year Transmission Project. A Class Year Transmission Project, as such term is defined in Section 25.1 of this Attachment S, includes any proposed new transmission facility that will interconnect to the New York State Transmission System or a proposed upgrade—an improvement to, addition to, or replacement of a part of an existing transmission facility—to the New York State Transmission System, for which (1) the Developer is eligible to request and does request ~~Capacity Resource Interconnection Service~~ CRIS—in the form of Unforced Capacity Deliverability Rights or External-to-ROS Deliverability Rights, as applicable, subject to the eligibility requirements set forth in the ISO Procedures; or (2) the Developer requests only ERIS and the transmission facility for which it requests ERIS is a transmission facility over which power flow can be directly controlled by power flow control devices directly connected to the Class Year Transmission Project without having to re-dispatch generation. Class Year Transmission Projects shall not include Attachment Facilities, Network Upgrade Facilities, System Upgrade Facilities or System Deliverability Upgrades. ~~Pursuant to Section 32.1.1.7 of Attachment Z to the OATT, a Small Generating Facility 2 MW or smaller may obtain CRIS without being evaluated for deliverability under the NYISO Deliverability Interconnection Standard. The requirement that a facility not subject to the ISO’s Large Facility Interconnection Procedures or Small Generator Interconnection Procedures must meet the NYISO Deliverability Interconnection Standard to become a qualified Installed Capacity Supplier first applies on May 19, 2016, subject to the transition rule specified in Section 25.9.3.4.1 of this Attachment S.~~

25.3.1.1 The NYISO Deliverability Interconnection Standard is designed to ensure that the project is deliverable throughout the New York Capacity Region where the project will interconnect or is interconnected. The NYISO Deliverability Interconnection Standard is also designed to ensure that the Developer of the project restores the transfer capability of any Other Interfaces degraded by its interconnection.

25.3.1.2. Each generation project or Class Year Transmission Project electing ~~Capacity Resource Interconnection Service~~[CRIS](#) will be allowed to become an Installed Capacity Supplier, or will be allowed to receive Unforced Capacity Deliverability Rights [or External-to-ROS Deliverability Rights](#), in accordance with the rules of the New York [Installed Capacity](#) market, up to the amount of its deliverable capacity, as that amount is determined in accordance with the rules in this Attachment S, once the Developer of the project has funded or committed to fund any required System Deliverability Upgrades in accordance with the rules in this Attachment S.

~~25.3.1.3. The requirement that each Large Facility or Small Generating Facility larger than 2 MW that is proposed by a Developer must meet the NYISO Deliverability Interconnection Standard before it can become a qualified Installed Capacity Supplier or receive Unforced Capacity Deliverability Rights first applies to the projects comprising Class Year 2007. The interconnection agreements for these projects will explicitly condition participation in the Installed Capacity market on satisfaction of the NYISO Deliverability Interconnection Standard and, to the extent a project is found not to be deliverable, on funding, or committing to~~

~~fund, any required System Deliverability Upgrades. Implementation of the NYISO Deliverability Interconnection Standard for the projects comprising Class Year 2007 will be accomplished by conducting, only for Class Year 2007, the Project Cost Allocation decision process contained in Section 25.8 of Attachment S in two separate steps. First, the ISO will administer the decision process for the System Upgrade Facilities required for the projects in the Class Year. Then, upon the effectiveness of the NYISO Deliverability Interconnection Standard, the ISO will separately administer a decision process for the System Deliverability Upgrades and Deliverable MW for the projects in Class Year 2007 that have previously provided an Acceptance Notice and posted Security for the cost of their System Upgrade Facilities. A member of Class Year 2007 cannot modify, as part of the decision process for System Deliverability Upgrades, the decision reflected in its Acceptance or Non-Acceptance Notice regarding its Project Cost Allocation for System Upgrade Facilities. Members of Class Year 2007 that provide a Non-Acceptance Notice or that commit a Security Posting Default relating to their System Upgrade Facilities will be removed from Class Year 2007 and processed further in accordance with Section 25.8.2.3 of Attachment S. The Project Cost Allocation decision process for Class Years subsequent to Class Year 2007 will be conducted as described in Section 25.8 of Attachment S.~~

25.5 ~~Cost Responsibility Rules for Both ERIS and CRIS~~ Class Year Study and Expedited Deliverability Study Processes

25.5.1 Side Agreements

These cost allocation rules will not preclude or supersede any binding cost allocation agreements that are executed between or among Developers, Connecting Transmission Owners and/or Affected Transmission Owners; provided, however, that no such agreements will increase the cost responsibility or cause a material adverse change in the circumstances as determined by these rules of any Developer or Transmission Owner who is not a party to such agreement.

25.5.2 Costs Covered By Attachment S

The interconnection facility cost allocated by these rules is comprised of all costs and overheads associated with the design, procurement and installation of the new interconnection facilities. These rules do not address in any way the allocation of responsibility for the cost of operating and maintaining the new interconnection facilities once they are installed. Nor do these rules address in any way the ownership of the new interconnection facilities.

25.5.3 Dispatch Costs

Developers, Connecting Transmission Owners and Affected Transmission Owners will not be charged directly for any redispatch cost that may be caused by the temporary removal of transmission facilities from service to install new interconnection facilities, as such cost is reflected in Locational Based Marginal Prices. Nor will existing generators be paid for any lost opportunity cost that may be incurred when their units are dispatched down or off in connection with the installation of new interconnection facilities.

25.5.4 Transmission Owners' Cost Recovery

Any Connecting or Affected Transmission Owner implementation and construction of (i) System Upgrade Facilities as identified in the Annual Transmission Baseline Assessment or Annual Transmission Reliability Assessment, or (ii) System Deliverability Upgrades as identified in the Class Year Deliverability Study, shall be in accordance with the ISO OATT, Commission-approved ISO Related Agreements, the Federal Power Act and Commission precedent, and therefore shall be subject to the Connecting or Affected Transmission Owner's right to recover, pursuant to appropriate financial arrangements contained in agreements or Commission-approved tariffs, all reasonably incurred costs, plus a reasonable return on investment.

25.5.5 Existing System Representation

The ISO shall include in the Existing System Representation for purposes of the ATBA and ATRA for a given Class Year [Study or Expedited Deliverability Study](#):

25.5.5.1 ~~For Class Year 2017: (i) All generation and transmission facilities identified in the ISO's most recent NYISO Load and Capacity Data Report, excluding those facilities that are subject to Class Year cost allocation but for which Class Year cost allocations have not been accepted; (ii) all planned generation projects and Class Year Transmission Projects that have accepted their cost allocation in a prior Class Year cost allocation process and System Upgrade Facilities and System Deliverability Upgrades associated with those projects except that System Deliverability Upgrades where construction has been deferred pursuant to Section 25.7.12.2 and 25.7.12.3 of Attachment S will only be included if construction of the System Deliverability Upgrades has been triggered under~~

~~Section 25.7.12.3 of Attachment S; (iii) all generation and transmission retirements and derates identified in the NYISO Load and Capacity Data Report as scheduled to occur during the five year cost allocation study planning period; and (iv) Transmission Projects that have met the following milestones: (1) have been triggered (if subject to the reliability planning process), selected (if subject to the Public Policy Transmission Planning Process), or approved by beneficiaries (if subject to the CARIS process); (2) have a completed System Impact Study (if applicable); (3) have a determination pursuant to Article VII that the Article VII application filed for the facility is in compliance with Public Service Law §122 (i.e., “deemed complete”) (if applicable); and (4) are making reasonable progress under the applicable OATT Attachment Y planning process (if applicable); (v) transmission projects identified as “firm” by the Connecting Transmission Owner and either (1) have commenced a Facilities Study (if applicable) and have an Article VII application deemed complete (if applicable); or (2) are under construction and scheduled to be in service within 12 months after the Class Year Start Date and (vi) all other changes to existing facilities, other than changes that are subject to Class Year cost allocation but that have not accepted their Class Year cost allocation, that are identified in the NYISO Load and Capacity Data Report or reported by Market Participants to the ISO as scheduled to occur during the five year cost allocation study planning period. Facilities in a Mothball Outage, an ICAP Ineligible Forced Outage, or Inactive Reserves will be modeled as in, and not removed from, the Existing System Representation. If the ISO has triggered multiple Transmission Projects under its reliability planning process, the~~

~~ISO will include in the base case the selected Transmission Project until or unless that project is halted or its Development Agreement is terminated, in which case the ISO will include in the base case the regulated backstop solution. The point of interconnection of a Retired generator with a terminated interconnection agreement is available to proposed facilities on a non-discriminatory basis pursuant to the ISO's applicable interconnection and transmission expansion processes and procedures. A Retired generator with an interconnection agreement that remains in effect after it is Retired will retain its right to the specific point of interconnection as provided for in the interconnection agreement and access to this point will not be available for new facilities.~~

~~25.5.5.2~~ For Class Years subsequent to Class Year 2017: (i) the following facilities included in the ISO's most recent NYISO Load and Capacity Data Report: all generation identified as existing and all transmission facilities identified as existing and/or firm, excluding those facilities that are subject to Class Year cost allocation but for which Class Year cost allocations have not been accepted; (ii) all proposed generation projects and Class Year Transmission Projects, together with their associated System Upgrade Facilities and System Deliverability Upgrades, that have accepted their cost allocation in a prior Class Year cost allocation process; provided however, that System Deliverability Upgrades where construction has been deferred pursuant to Sections 25.7.12.2 and 25.7.12.3 of [this](#) Attachment S will only be included if construction of the System Deliverability Upgrades has been triggered under Section 25.7.12.3 of [this](#) Attachment S; (iii) all generation and transmission retirements and derates

identified in the Load and Capacity Data Report as scheduled to occur during the five-year cost allocation study planning period; and (iv) Transmission Projects that are proposed under Attachment Y of the ISO OATT and have met the following milestones prior to the Class Year Start Date: (1) have been triggered under the reliability planning process, selected under the Public Policy Transmission Planning Process, or approved by beneficiaries under the CARIS process); and (2) have a completed System Impact Study; (3) have a determination pursuant to Article VII that the Article VII application filed for the facility is in compliance with Public Service Law §122 (*i.e.*, “deemed complete”) (if applicable); and (4) are making reasonable progress under the applicable OATT Attachment Y planning process-; (v) Transmission Projects that are not proposed under Attachment Y to the ISO OATT that have completed a Facilities Study and posted Security for Network Upgrade Facilities as required in Section 22.911.10 of Attachment P to the ISO OATT and have a determination pursuant to Article VII that the Article VII application filed for the facility is in compliance with Public Service Law §122 (*i.e.*, “deemed complete”) (if applicable); (vi) transmission projects not subject to the Transmission Interconnection Procedures or the Attachment X and S interconnection procedures (*i.e.*, new transmission facilities or upgrades proposed by a Transmission Owner in its Local Transmission Owner Plan or NYPA transmission plan-) identified as “firm” by the Connecting Transmission Owner and either (1) have commenced a Facilities Study (if applicable) and have an Article VII application deemed complete (if applicable); or (2) are under construction and scheduled to be in-service within 12

months after the Class Year Start Date and (vii) all other changes to existing facilities, other than changes that are subject to Class Year cost allocation but that have not accepted their Class Year cost allocation, that are identified in the Load and Capacity Data Report or reported by Market Participants to the ISO as scheduled to occur during the five year cost allocation study planning period. Facilities in a Mothball Outage, an ICAP Ineligible Forced Outage, or Inactive Reserves will be modeled as in, and not removed from, the Existing System Representation. If the ISO has triggered multiple Transmission Projects under its reliability planning process, the ISO will include in the base case the selected Transmission Project until or unless that project is halted or its Development Agreement is terminated, in which case the ISO will include in the base case the regulated backstop solution. The point of interconnection of a Retired generator with a terminated interconnection agreement is available to proposed facilities on a non-discriminatory basis pursuant to the ISO's applicable interconnection and transmission expansion processes and procedures. A Retired generator with an interconnection agreement that remains in effect after it is Retired will retain its right to the specific point of interconnection as provided for in the interconnection agreement and access to this point will not be available for new facilities.

25.5.5.32 The System Upgrade Facilities listed on Exhibit A to the Financial Settlement shall be included in the Existing System Representation. Such System Upgrade Facilities shall be shown as in service in the first year of the five-year cost allocation study planning period and in each subsequent year, unless such System Upgrade Facilities are cancelled or otherwise not in service by January 1,

2010; provided that if such facilities are expected to be in service after January 1, 2010, starting with the Class Year 2010, the ISO shall independently determine such later date when the System Upgrade Facilities are expected to be in service and represent them according to the ISO's determination.

25.5.5.43 System Upgrade Facilities not listed on Exhibit A to the Financial Settlement, but for which cost allocations have been accepted in a prior Class Year cost allocation process, shall be represented in the Existing System Representation for subsequent cost allocation studies in the year of their anticipated in-service date.

25.5.6 Attachment Facilities.

Each Developer is responsible for 100% of the cost of the Attachment Facilities required for the reliable interconnection of its generation project or Class Year Transmission Project in compliance with the NYISO Minimum Interconnection Standard, as that responsibility is determined by these rules.

25.5.7 Distribution Upgrades

Each Developer is responsible for 100% of the cost of the Distribution Upgrades required for the reliable interconnection of its generation project or Class Year Transmission Project in compliance with the NYISO Minimum Interconnection Standard, as that responsibility is determined by these rules.

25.5.8 No Prioritization of Class Year Projects or Projects in an Expedited Deliverability Study

There will be no prioritization of (1) the projects grouped and studied together in a Class Year; or (2) the projects grouped and studied together in an Expedited Deliverability Study.

Each project in a Class Year Study~~such project~~ will, with other projects in the same Class Year, share in the then currently available functional or electrical capability of the transmission system, and share in the cost of the System Upgrade Facilities required to interconnect its respective project and, for Developers seeking CRIS, System Deliverability Upgrades required under the NYISO Deliverability Interconnection Standard, in accordance with the rules set forth herein.

Each project in an Expedited Deliverability Study will, with other projects in the same Expedited Deliverability Study, share in the then currently available functional or electrical capability of the transmission system in accordance with the rules set forth herein. For purposes of this Section 25.5.8, the “then currently available functional or electrical capability of the transmission system” is the functional or electrical capability of the transmission system currently available in the applicable base case.

25.5.9 Class Year and Expedited Deliverability Study Start Date, Entry Requirements and Schedule

25.5.9.1 Class Year Start Date, Entry Requirements and Schedule

~~Starting with the Class Year subsequent to Class Year 2017, the~~The Annual Transmission Reliability Assessment (i.e., Class Year Study) will begin on the Class Year Start Date, which will be the first Business Day after thirty (30) Calendar Days following the completion of the prior ~~Class Year Interconnection Facilities~~Class Year Study~~as to all Class Year members (i.e., date upon which all remaining Class Year Developers in Class Year X-2 in a Bifurcated Class Year, or alternatively, all remaining Class Year Developer in a Class Year that is not bifurcated, have accepted their Project Cost Allocations and have posted Security for same).~~

The ISO will provide notice of the Class Year Study Start Date by (1) sending notice of the start date to those registered through the ISO to be on the distribution lists for the NYISO

Operating Committee and its subcommittees; and (2) posting notice of the Class Year Study Start Date.

In order to become ~~a Class Year Project in a Class Year subsequent to Class Year 2012,~~ an Eligible Class Year Project, a Developer must:

- (1) elect to enter the applicable Class Year by providing notice to the ISO, together with (i) a demonstration that the project satisfies the applicable regulatory milestones described in Section 25.6.2.3.1.1 of Attachment S or (ii) notice that it will submit a qualifying contract pursuant to Section 25.6.2.3.1 of this Attachment S or a two-part deposit consisting of \$100,000 plus \$3,000/MW deposit as required by Section 25.6.2.3.1, no later than five (5) Business Days following the ISO's posting of the Class Year Start Date; and
- (2) satisfy the criteria for inclusion in the next Class Year, on or before the Class Year Start Date, as those criteria are specified in Section 25.6.2.3.1 of this Attachment S, ~~Section 25.8.2.3 of this Attachment S and~~ Sections 32.1.1.7 of Attachment Z to the OATT ~~and/or~~ Section 32.3.5.3.2 of Attachment Z to the OATT, as applicable; and
- (3) if requesting only CRIS, have completed one of the following on or before the Class Year Start Date, as applicable: a Class Year Study for ERIS, a System Impact Study under the Small Generator Interconnection Procedures, or a utility interconnection study if the facility is not subject to the ISO interconnection procedures under Attachments X and Z.

Upon a Developer's satisfaction of the Class Year Study eligibility criteria specified in this 25.5.9.1, the ISO will tender a Class Year Study Agreement to the Developer pursuant to

Section 30.8.1 of Attachment X to the OATT. An Eligible Class Year Project that satisfies the requirements of Section 30.8.1 of Attachment X to the OATT as it relates to completion of a Class Year Study Agreement, submission of required technical data and updated In-Service Date, Initial Synchronization Data and Commercial Operation Date, and submission of required deposits, all within 10 Business Days of the tender of the Class Year Study Agreement, will become a Class Year Project.

An Eligible Class Year Project that elects to enter a Class Year Study pursuant to this Section 25.5.9.1 but retracts its election prior to the ISO's tender of the Class Year Study Agreement will not become a member of the Class Year Study. An Eligible Class Year Project that elects to enter a Class Year Study pursuant to this Section 25.5.9.1 but retracts its election after the ISO's tender of the Class Year Study Agreement prior to or after the deadline for execution of the Class Year Study Agreement will not become a member of the Class Year Study; however, such retraction will count as one of the two Class Year Studies that a project may enter pursuant to Section 25.6.2.3.4 of this Attachment S. ~~(2) must elect to enter the applicable Class Year by providing notice to the ISO by five (5) Business Days after the Class Year Start Date. This Section 25.5.9 does not limit membership or eligibility for membership in Class Year 2011 or Class Year 2012.~~

~~Starting with the Class Year subsequent to Class Year 2012, a~~ All parties engaged in performing study work as part of the Annual Transmission Reliability Assessment and Class Year Deliverability Study (collectively, the ~~Class Year Interconnection Facilities~~ Class Year Study) are required to use Reasonable Efforts to complete the basic required evaluations and cost estimates for Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, System Upgrade Facilities, and System Deliverability Upgrades in order that the ~~Class Year~~

~~Interconnection Facilities~~ Class Year Study can be presented to the Operating Committee for approval within twelve (12) months from the Class Year Start Date. ~~Starting with the Class Year subsequent to Class Year 2012, if a new System Deliverability Upgrade is identified (i.e., a System Deliverability Upgrade not previously identified and cost allocated in a Class Year Interconnection Facilities Study and not substantially similar to a System Deliverability Upgrade previously identified and cost allocated in a Class Year Interconnection Facilities Study), an additional six (6) months will be provided within which to perform additional System Deliverability Upgrade studies, subject to Reasonable Efforts, for the study of and development of cost estimates for such a System Deliverability Upgrade.~~

Through the Interconnection Projects Facilities Study Working Group and/or the Transmission Planning Advisory Subcommittee distribution lists, the ISO will provide the anticipated Class Year Schedule, including the status of and anticipated completion date of the Annual Transmission Baseline Assessment study cases.

25.5.9.2 Expedited Deliverability Study Process

25.5.9.2.1 Study Start Date, Entry Requirements and Schedule

The start date for the first Expedited Deliverability Study will be the first Business Day after thirty (30) Calendar Days following [effective date]. After the completion of the initial Expedited Deliverability Study, each Expedited Deliverability Study will begin the first Business Day after thirty (30) Calendar Days following the completion of the prior Expedited Deliverability Study; provided however, an Expedited Deliverability Study may not commence during the period between the posting of the draft Class Year Study report for Operating Committee approval and commencement of the next Class Year Study. If the first Business Day after thirty (30) Calendar Days following the completion of the prior Expedited Deliverability

Study falls on a date within the above-described Class Year decision and settlement period, the Expedited Deliverability Study will begin on the first Business Day after ten (10) Calendar Days following the Class Year Study Start Date immediately following the above-described Class Year decision and settlement period.

The ISO will provide notice of the Expedited Deliverability Study start date by (1) sending notice of the start date to those registered through the ISO to be on the distribution lists for the NYISO Operating Committee and its subcommittees; and (2) posting notice of the Expedited Deliverability Study start date.

In order to become eligible to enter an Expedited Deliverability Study, a Developer must (1) elect to enter the Expedited Deliverability Study by providing notice to the ISO by the Expedited Deliverability Study start date; (2) must have satisfied the data submission requirements set forth in Section 23.4.5.7.3.6 of the ISO Services Tariff required for Class Year Projects requesting CRIS in a Mitigated Capacity Zone and have such data submission deemed complete by the ISO by the Expedited Deliverability Study start date; and (3) must be in service or have completed one of the following, as applicable: a Class Year Study for ERIS, a System Impact Study under the Small Generator Interconnection Procedures, or a utility interconnection study if the facility is not subject to the ISO interconnection procedures under Attachments X and Z. A project that satisfies the eligibility requirements for an Expedited Deliverability Study will become a member of the Expedited Deliverability Study if it satisfies the requirements of Section 25.5.9.2.2 of this Attachment S as it relates to completion of an Expedited Deliverability Study Agreement, submission of the required deposit, and submission of required technical data.

All parties engaged in performing study work as part of the Expedited Deliverability Study are required to use Reasonable Efforts to complete the basic required evaluations in order

for the Expedited Deliverability Study to be presented to the NYISO Operating Committee for approval within four (4) months from the date that the ISO confirms receipt of all of the following: (1) the executed Expedited Deliverability Study Agreement; (2) the \$30,000 Expedited Deliverability Study deposit required by Section 25.5.9.2.2 of this Attachment S; and (3) the technical data required by Section 25.5.9.2.2 of this Attachment S.

25.5.9.2.2 Expedited Deliverability Study Agreement

As soon as practicable after a Developer has notified the ISO of its request to enter the next Expedited Deliverability Study, the ISO shall tender an Expedited Deliverability Study Agreement in the form of Appendix 2 to this Attachment S. When the ISO tenders an Expedited Deliverability Study Agreement to a Developer, the ISO shall, at the same time, also provide one to the applicable Connecting Transmission Owner. The Expedited Deliverability Study Agreement shall provide that the Developer shall compensate the ISO for the actual cost of the Expedited Deliverability Study. When the ISO tenders the Expedited Deliverability Study Agreement to the requesting Developer, the ISO shall provide to the Developer a non-binding good faith estimate of the cost and timeframe for completing the Expedited Deliverability Study. Within ten (10) Business Days after the ISO tenders the Expedited Deliverability Study Agreement, the Developer shall complete the Expedited Deliverability Study Agreement and deliver the completed agreement to the ISO. Developer shall, with the completed Expedited Deliverability Study Agreement, deliver to the ISO (1) the required technical data and (2) a study deposit of \$30,000. The Developer, ISO and Connecting Transmission Owner shall execute the Expedited Deliverability Study Agreement no later than ten (10) Calendar Days after the ISO confirms receipt of the executed Expedited Deliverability Study Agreement, the required technical data and required deposit from the Developer. The ISO shall provide a copy of the

fully executed Expedited Deliverability Study Agreement to the Developer and Connecting Transmission Owner. The ISO shall invoice the Expedited Deliverability Study Developer on a monthly basis for the work conducted on the Expedited Deliverability Study. Each Developer shall pay an equal share of the actual cost of the combined Expedited Deliverability Study. The Developer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. The ISO shall continue to hold the amounts on deposit in an interest bearing account associated with the Developer until settlement of the final invoice.

25.5.9.2.3 Expedited Deliverability Study Procedures

The ISO shall coordinate the Expedited Deliverability Study and shall utilize existing studies to the extent practicable in performing the Expedited Deliverability Study. The ISO may request additional information from the Developer and Connecting Transmission Owner as may reasonably become necessary consistent with Good Utility Practice during the course of the Expedited Deliverability Study. Upon request from the ISO for additional information required for or related to the Expedited Deliverability Study, the Developer and Connecting Transmission Owner shall provide such additional information in a prompt manner.

Within ten (10) Business Days of providing a draft Expedited Deliverability Study report to an Expedited Deliverability Study Developer, the ISO, Connecting Transmission Owner, and Affected System Operator(s) shall meet with the Developer to discuss the results of the Expedited Deliverability Study.

The ISO shall use Reasonable Efforts to complete the study and present the Expedited Deliverability Study report to the Operating Committee within the timeframe set forth in Section 25.5.9.2.1 of this Attachment S; provided, however, an Expedited Deliverability Study report shall not proceed to the Operating Committee between Operating Committee approval of a Class

Year Study and commencement of the next Class Year Study. An Expedited Deliverability Study may not proceed to the Operating Committee until after ten (10) Calendar Days following the completion of the Class Year Study. After Operating Committee approval of the Expedited Deliverability Study report, the Expedited Deliverability Study Developers will be subject to the decision process set forth in Section 25.5.9.2.4.

Before Operating Committee approval of the Expedited Deliverability Study, if the pending Class Year Study proceeds to decision and settlement pursuant to Section 25.8 of this Attachment S and a Class Year Project accepts or rejects a Project Cost Allocation that the ISO determines may impact the deliverability of a project in the Expedited Deliverability Study, the assumptions used in the Expedited Deliverability Study will be updated before the commencement of the next Class Year Study.

At the request of any Expedited Deliverability Study Developer, or at any time the ISO determines that it will not meet the required timeframe for completing the Expedited Deliverability Study, the ISO shall notify the Expedited Deliverability Study Developer as to the schedule status of the Expedited Deliverability Study. If the ISO is unable to complete the Expedited Deliverability Study within the initial schedule, it shall notify the Expedited Deliverability Study Developer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Upon request, the ISO shall provide the Expedited Deliverability Study Developer supporting documentation, workpapers, and databases or data developed in the preparation of the Expedited Deliverability Study, subject to non-disclosure arrangements consistent with Section 30.13.1.

25.5.9.2.4 Expedited Deliverability Study Decision Process

Within 5 Business Days following approval of the Expedited Deliverability Study by the Operating Committee (such 5 Business Day period to be referred to as the “Expedited Deliverability Study Initial Decision Period”), each Developer in the Expedited Deliverability Study shall provide notice to the ISO, in writing and via electronic mail, stating whether it shall accept (an “Expedited Deliverability Study Acceptance Notice”) or not accept (an “Expedited Deliverability Study Non-Acceptance Notice”) the Deliverable MW, if any, reported to it by the ISO in the Expedited Deliverability Study report. Failure to notify the ISO by the prescribed deadline as to whether a Developer accepts or rejects its Deliverable MW, if any, will be deemed an Expedited Deliverability Study Non-Acceptance Notice. As soon as practicable following the end of the Expedited Deliverability Study Initial Decision Period, the ISO shall report to all Class Year Developers, in writing and via electronic mail, all of the decisions submitted by Developers in the Expedited Deliverability Study.

At the end of the Expedited Deliverability Study Initial Decision Period, if one or more of the Developers provides an Expedited Deliverability Study Non-Acceptance Notice (such event an “Expedited Deliverability Study Non-Acceptance Event”), the Developer that provided the Expedited Deliverability Study Non-Acceptance Notice will be removed from the then current Expedited Deliverability Study and the ISO shall update the Expedited Deliverability Study results for those remaining Developers in the Expedited Deliverability Study to reflect the impact of the projects withdrawn from the Expedited Deliverability Study. The revised Expedited Deliverability Study report shall include updated Deliverable MW, if any, and shall be issued within 10 Business Days following the occurrence of an Expedited Deliverability Study Non-Acceptance Event. Each remaining Developer shall be deemed to have accepted its respective Deliverable MW identified in the revised Expedited Deliverability Study report.

25.5.10 ~~Preliminary~~ Additional SDU Studies ~~Decision Period and Class Year~~ Bifurcation

25.5.10.1 Notice of SDUs Requiring Additional Studies

If a new System Deliverability Upgrade is identified (i.e., a System Deliverability Upgrade not previously identified and cost allocated in a Class Year Study and not substantially similar to a System Deliverability Upgrade previously identified and cost allocated in a Class Year Study), ~~Starting with Class Year 2017, if the ISO determines that any Class Year Project requires System Deliverability Upgrades for which additional System Deliverability Upgrade studies are required pursuant to Section 25.5.9 of this Attachment S,~~ the ISO will notify all members of the ISO's Interconnection Projects Facilities Study Working Group that the ISO has made such a determination, such notice to be provided as soon as practicable after the ISO presents the ~~results of the full~~ preliminary Class Year Deliverability Study results ~~(i.e., the results of the System Upgrade Facilities Study and preliminary Deliverability Study)~~ to stakeholders and the ISO Operating Committee approves such results. This notice will be referred to as the "Notice of SDUs Requiring Additional Study." ~~25.5.10.2 Preliminary SDU Decision Period~~

At the same time the ISO issues the Notice of SDUs Requiring Additional Study, the ISO will issue a notice to only those Class Year Project Developers for which the ISO has identified System Deliverability Upgrades requiring additional SDU studies. ~~This notice will trigger the "Preliminary SDU Decision Period."~~ Each Developer to which such notice is issued shall respond to the ISO within 10 ~~Business~~ Calendar Days to indicate whether it elects to (1) if it elects to proceed or not proceed with ~~additional studies~~ an Additional SDU Study for the identified System Deliverability Upgrades; or (2) pursue one of multiple System Deliverability Upgrade alternatives identified by the ISO, which option Developer elects to be evaluated in the Additional SDU Study. If the Developer does not elect to pursue an Additional SDU Study for

required System Deliverability Upgrades, it may only accept or reject its Deliverable MW, if any, in the Class Year Study. If the ISO does not receive the Developer's election by the deadline, the Developer will be deemed to have (1) notified the ISO that it elects to not proceed with ~~the additional studies~~an Additional SDU Study for the identified System Deliverability Upgrades; and (2) will only be permitted to accept or reject its Deliverable MW, if any, in the Class Year Study.

25.5.10.2 Preliminary Additional SDU Studies~~Decision Period~~

If no Class Year Project Developer to which the Notice of SDUs Requiring Additional Study ~~notice of Preliminary SDU Decision Period~~ is issued elects to proceed with such additional studies, the Class Year Study will proceed to the decision and settlement phase set forth in Section 25.8.2 of this Attachment S. Alternatively, if any Class Year Project Developer to which the Notice of SDUs Requiring Additional Study ~~notice of Preliminary SDU Decision Period~~ is issued elects to proceed with such additional studies, the Class Year Study will proceed to the decision and settlement phase set forth in Section 25.8.2 of this Attachment S; however, the Additional SDU Study will be performed separate and apart from the Class Year Study; provided however, pursuant to Section 25.8.2 of this Attachment S, a Developer that elects to proceed with an Additional SDU Study has the option to proceed with the decision and settlement phase with the rest of the Class Year for its SUF Project Cost Allocation and deliverable MW, if any~~the Class Year Study will be bifurcated pursuant to Section 25.5.10.3 of this Attachment S.~~

If an Additional SDU Study is completed after the Class Year Study is approved by the NYISO Operating Committee but prior to the time that the ISO completes the Annual Transmission Baseline Assessment study cases for the subsequent Class Year Study, a Developer

that elected to proceed with an Additional SDU Study may proceed to decision and settlement pursuant to Section 25.8.2(2) of this Attachment S.

If a Developer is part of an Additional SDU Study that does not complete in time for the Developer to proceed to decision and settlement pursuant to Section 25.8.2 of this Attachment S, the following provisions apply:

- (1) The Developer will be required to enter a subsequent Class Year Study (i.e., a Class Year Study subsequent to the one in which the Additional SDU Study was triggered) if it wishes to obtain an SDU Project Cost Allocation for its requested CRIS.
- (2) The Developer's election to enter a subsequent Class Year Study is subject to the applicable entry requirements of Section 25.5.9 and Section 30.8.1 of Attachment X; provided, however, a Developer that elects to enter the first such subsequent Class Year Study (i.e., the first Class Year Study that commences after the Additional SDU Study commences) may provide notice of its election to enter such subsequent Class Year Study on or before completion of the Annual Transmission Baseline Assessment study cases for the subsequent Class Year Study.
- (3) Election to enter into a subsequent Class Year Study will not constitute one of the two Class Years a project may enter under Section 25.6.2.3.4 of Attachment S; provided, however, if the Developer enters a subsequent Class Year Study but rejects its SDU Project Cost Allocation for its requested CRIS, such action will constitute one of the two Class Years;

(4) In a subsequent Class Year Study to evaluate the Developer’s requested CRIS, the Additional SDU Studies will continue; provided, however, the base case used in the Additional SDU Studies will be updated based on the base case inclusion rules for that Class Year Study determined in accordance with Section 25.5.5.1 of this Attachment S.

If a Developer in Additional SDU Study accepted its SUF Project Cost Allocation pursuant to Section 25.8.2 of this Attachment S prior to the completion of the Annual Transmission Baseline Assessment study cases for the subsequent Class Year Study, the project and its SUF will be included in the Existing System Representation for the subsequent Class Year Study.

~~If, as a result of election(s) made in the Preliminary SDU Decision Period, the ISO determines that the Class Year Study will be bifurcated, the ISO will issue a notice to members of the ISO’s Interconnection Projects Facilities Study Working Group (“Bifurcation Notice”) that will serve to bifurcate the Class Year Study into Class Year X-1 and Class Year X-2 (with “X” being the year of the Class Year Start Date) and will provide Class Year X-1 Project Cost Allocations for System Upgrade Facilities and System Deliverability Upgrades, excluding Project Cost Allocations for System Deliverability Upgrades requiring additional studies.~~

~~The elections made by a Class Year Project Developer in the Preliminary SDU Decision Period shall be binding on the Class Year Project Developer with respect to System Deliverability Upgrades requiring additional studies—i.e., a Class Year Project Developer may not elect to proceed with additional studies for System Deliverability Upgrades in the Preliminary SDU Decision Period and then, in the subsequent Bifurcated Decision Period elect to complete the decision and settlement phase as part of Class Year X-1. A Class Year Project~~

~~Developer that elects to proceed with additional studies for System Deliverability Upgrades in the Preliminary SDU Decision Period will be required to proceed to Class Year X-2.~~

~~25.5.10.3 Bifurcated Decision Period~~

~~On or before the first Business Day after thirty (30) Calendar Days from a Bifurcation Notice (such 30 day period, the “Bifurcated Decision Period”), each Class Year Project, other than a Class Year Project Developer that elected in the Preliminary SDU Decision Period to proceed with additional SDU studies, must make one of the following elections:~~

- ~~(1) complete the decision and settlement phase as part of Class Year X-1 by accepting Project Cost Allocations and posting Security for any of the following, as applicable:~~
 - ~~(a) System Upgrade Facilities (i.e., ERIS only);~~
 - ~~(b) System Upgrade Facilities and Deliverable MW for CRIS, if any (i.e., ERIS and CRIS that is deliverable without a System Deliverability Upgrade);~~
 - ~~(c) System Upgrade Facilities and System Deliverability Upgrades not requiring additional studies, if any (i.e., ERIS and CRIS that is deliverable with a System Deliverability Upgrade previously identified and cost allocated in a previous Class Year Study or substantially similar to a System Deliverability Upgrade previously identified and cost allocated in a previous Class Year Study);~~
 - ~~(d) for CRIS only Class Year Projects that are fully or partially deliverable, the project’s Deliverable MW for CRIS; or~~
 - ~~(e) for CRIS only Class Year Projects that are not fully deliverable, System Deliverability Upgrades not requiring additional studies, if any (i.e., ERIS and CRIS that is deliverable with a System Deliverability Upgrade previously~~

~~identified and cost allocated in a previous Class Year Study or substantially similar to a System Deliverability Upgrade previously identified and cost allocated in a previous Class Year Study);~~

~~(2) — proceed as a member of Class Year X-2, with no changes to ERIS or CRIS requests;~~

~~(3) — proceed as a member of Class Year X-2 as ERIS only (i.e., withdrawing its CRIS request);~~

~~(4) — proceed as a member of Class Year X-2 with ERIS and/or CRIS requests, but electing to have no System Deliverability Upgrades identified to make the project deliverable at its level of requested CRIS (i.e., proceed as a member of Class Year X-2 with the option of accepting or not accepting all of its requested ERIS MW and only its Deliverable MW for CRIS); or~~

~~(5) — withdraw from the Class Year entirely.~~

~~A Class Year Project Developer that fails to respond to this notice requirement with one of the above elections by the required deadline will proceed as a member Class Year X-2, with no changes to ERIS or CRIS requests.~~

~~Class Year X-1 Project Cost Allocations for shared upgrade facilities will be the Class Year X-1 project's highest possible Project Cost Allocation, assuming all, none or any combination of other Class Year projects drop out or accept their Project Cost Allocations. In other words, if a project that elects to settle in Class Year X-1 shares a cost allocation for System Upgrade Facilities, System Deliverability Upgrades or Headroom with a project that elects to proceed as a member of Class Year X-2, the project electing to settle in Class Year X-1 will be~~

required to post Security equal to the highest amount it might possibly be required to post under any Class Year decision and settlement scenario.

If a Class Year Project Developer elects to withdraw its project entirely from the Class Year at this juncture, the Class Year from which the project drops out will constitute one of the two Class Years a project may enter under Section 25.6.2.3.4 of Attachment S. If a Class Year Project Developer elects to withdraw entirely from the Class Year at this juncture, the deposits paid in lieu of satisfaction of the regulatory milestone pursuant to Section 25.6.2.3.1 of Attachment S will be fully refunded.

If a Class Year Project Developer eligible to complete the decision and settlement phase as part of Class Year X-1 elects to do so, the Developer shall, within the Bifurcated Decision Period, complete the following requirements:

- (1) — The Developer must provide notice to the ISO, in accordance with the instructions set forth by the ISO in the notice, whether it accepts (an “Acceptance Notice”) or does not accept (a “Non-Acceptance Notice”) the Project Cost Allocation(s) and Deliverable MW, if any, reported to it by the ISO; and
- (2) — The Developer must, if providing an Acceptance Notice:
 - (a) — include a confirmed In-Service Date and Commercial Operation Date, subject to the limitations set forth in Section 30.4.4.5 of Attachment X; and
 - (b) — signify its willingness to pay the Connecting Transmission Owner and Affected Transmission Owner(s) for its share of the required System Upgrade Facilities and System Deliverability Upgrades by (i) satisfying Headroom payment/security posting obligations, if any, as specified in Section 25.8.7.6 and (ii) paying cash or posting Security (as defined in Section 25.8.2.1 of this Attachment S) in

~~accordance with these rules, for the full amount of its respective Project Cost Allocation.~~

~~Developers that respond with a Non-Acceptance Notice or fail to post the required Security will be removed from the Class Year and not proceed as a member of Class Year X-2. Upon receipt of all required Acceptance and Non-Acceptance Notices, and any required Security associated with such notices, Class Year X-1 will be deemed complete.~~

~~The Class Year X-1 decision period will not be iterative (i.e., the ISO will not provide for subsequent decision rounds for projects that reject their Class Year X-1 Project Cost Allocation decisions). As soon as practicable following receipt of either an Acceptance Notice or Non-Acceptance Notice from each Class Year Developer participating in the Class Year X-1 decision period, the ISO shall report to all Class Year Developers, in writing via electronic mail, all of the Acceptance Notices and Non-Acceptance Notices that were received from all of the Developers in the then current Class Year X-1. In such notice, the ISO will provide final calculations for the Project Cost Allocations for each project that settled in Class Year X-1, potentially requiring the Connecting Transmission Owner to refund excess funds or Security resulting from this recalculation. After the Final Decision Round for Class Year X-2 (the settlement and decision process for which shall proceed pursuant to Section 25.8 of this Attachment S), ISO will similarly provide final calculations or the Project Cost Allocations for each project that settled in Class Year X-1 and Class Year X-2, potentially requiring the Connecting Transmission Owner or Affected Transmission Owner(s) to refund excess funds or Security resulting from this recalculation. To the extent a refund is due to the Class Year Developer pursuant to such final Project Cost Allocation determinations, the Connecting Transmission Owner or Affected Transmission Owner(s) holding funds or Security must return excess funds or Security to the~~

~~Class Year Developer within fifteen (15) Business Days of the ISO's notice requiring such refund.~~

For purposes of determining the Class Year Start Date for the next Class Year Study, a ~~bifurcated~~ Class Year Study is complete on the date upon which the Final Decision Round completes for the Class Year Study decision period commenced in accordance with Section 25.8 of this Attachment ~~All remaining Class Year X-2 Developers have accepted their Project Cost Allocations and have posted Security for same;~~ the date an Additional SDU Study is completed does not impact the Class Year Start Date for the next Class Year Study. The next Class Year Study may commence prior to completion of an Additional SDU Study if the Additional SDU Study has not completed before the Initial Decision Period commences for the Class Year Study in accordance with Section 25.8.2(1) of this Attachment S.

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 ~~perform~~ 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, ~~to verify that~~ the existing system will be deemed to meets Applicable Reliability Requirements for purposes of the Class Year Study. ~~The results of this analysis will be reported for the entire state and for each of the New York zones.~~

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 units and 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 interconnection 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) ~~either (1)~~ 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 (2) the Developer~~, in lieu of satisfying ~~at the~~ 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 (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~~requirement, submits~~ a two-part deposit consisting of ~~(1)~~ \$100,000~~;~~ and ~~(2)~~ \$3,000/MW for the ~~nameplate capability~~requested ERIS of the Large Facility.

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; ~~or~~ (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 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(b)(4), as amended from time to time pursuant to the New York State Environmental Quality Review Act (“SEQRA”).

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 ~~For a Large Facility that is a Class Year Transmission Project, a~~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 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.

25.6.2.3.1.1.9 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 ~~this~~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 ~~executing the Class Year Interconnection Facilities Study Agreement and providing the required data and deposit~~[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 ~~executing the Class Year Interconnection Facilities Study Agreement and providing the required data and deposit~~ 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 interconnection 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*

minus 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 minus* impact is defined in terms of any one of the factors listed below in this subsection. Examples of computations used to determine *de minus* 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 ~~Cost Allocation Among Developers in a Class Year~~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 facility satisfies the NYISO Deliverability Interconnection Standard at its full amount of requested CRIS. If a facility 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 facility fully deliverable for the full amount of requested CRIS. An Expedited Deliverability Study only evaluates whether a facility 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 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 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:

~~For Class Years prior to Class Year 2012, the deliverability test will be applied within each of the three (3) Capacity Regions: (1) Rest of State (i.e., Load Zones A through I); (2) New York City (i.e., Load Zone J); and (3) Long Island (i.e., Load Zone K). To be declared deliverable, a generator or merchant transmission project must be deliverable throughout the Capacity Region in which the project is interconnected. For example, a proposed generator or merchant transmission project interconnecting in the Rest of State Capacity Region (i.e., Load Zones A-I) will be required to demonstrate deliverability throughout the Rest of State Capacity Region (i.e., Load Zones A-I), but will not be required to demonstrate deliverability to or within either of the following Capacity Regions: New York City (i.e., Load Zone J); or Long Island (i.e., Load Zone K).~~

~~Starting with Class Year 2012, t~~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](#)~~each of the Class Year CRIS Projects~~. [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 facility 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.](#)

All facilities qualifying for CRIS will have two CRIS values: one for the Summer Capability Period and one for the Winter Capability Period. The 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 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 facility has for the Summer Capability Period. For Winter Capability Periods beyond 2017/2018, the 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 facility's maximum net output at 10 degrees Fahrenheit determined pursuant to the facility's ISO-approved temperature curve; and

Maximum Net Output at 90 degrees Fahrenheit = the facility's maximum net output at 90 degrees Fahrenheit determined pursuant to the facility'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 facility's DMNC, Winter CRIS will be calculated using such temperature curve, provided the capability represented by the curve does not exceed the facility's ERIS. For facilities for which there is not an ISO-accepted temperature curve used for determining the facility's DMNC, Winter CRIS will be set equal to the facility's Summer CRIS unless the facility 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 facility'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 facility owner 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 ~~Class Year 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.

~~25.7.7.1~~ Starting with Class Year ~~2012~~2019, if the ISO determines that ~~additional System Deliverability Upgrade studies are~~an Additional SDU Study is required pursuant to Section 25.5.~~9-10~~ of this Attachment S, ISO will notify all Class Year Projects that such ~~additional System Deliverability Upgrade studies~~Additional SDU Study will be conducted, such notice to be provided as soon as practicable after the ISO ~~presents the results of the Class Year Deliverability Study to stakeholders~~receives notice from Developers in response to the Notice of SDU Requiring Additional Study. ~~Options to Class Year Developers upon such notice are set forth in Section 25.5.10 of this Attachment S.~~

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 facility 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 facility 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:

[25.7.8.2.1](#)—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. 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. 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.

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~~The CRIS for each facility~~, regardless of outage state,~~will be modeled in Deliverability Studies for the Class Year~~ 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 Comprehensive 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 NYISO Comprehensive 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 ~~of~~ [to](#) the OATT, (v) in Class Year 2008 and 2009, 1090 MW of imports made over the Quebec (via Chateaugay) 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 units of different technologies will be derated using a blended UCDF that combines the UCDF of the individual units within the facility; provided however, that if the facility includes load reduction, the load reduction would not impact the UCDF of the facility.

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 facility 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 facility 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 Chateaugay) 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 generators 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 ~~NY~~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 ~~NY~~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 ~~NY~~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 ~~NY~~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 NYISO 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 NYISO 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 NYISO 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 [NYISO](#) 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 ~~NY~~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 ~~NY~~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 [NYISO 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 Comprehensive System Planning Process (“CSPP”) triggers a Reliability Need, selects a transmission upgrade under the Public Policy Transmission Planning Process or results in a transmission project being approved under the Congestion Assessment and Resource Integration Study (“CARIS”)

(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. 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 Sections 31.4.1, 31.4.2 and 31.4.4 of Attachment Y to the ~~NY~~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 facility 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 ~~of~~ 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.

25.8 Project Cost Allocation Decisions

25.8.1 Project Cost Allocation Figures

Starting with the Class Year subsequent to Class Year 2012, each Developer in the Open Class Year whose project is not yet In-Service will specify an Interconnection Service evaluation election and provide an updated In-Service Date and Commercial Operation Date (subject to the limitations set forth in Sections 30.3.3.1 and 30.4.4.5 of Attachment X) when it ~~executes~~ completes a Class Year ~~Interconnection Facilities~~ Study Agreement. If the Class Year Project is covered by a new Interconnection Request, the Developer will either elect to be evaluated for ERIS alone, or elect to be evaluated for both ERIS and for some MW level of CRIS, not to exceed the nameplate capacity of its facility; provided however, if the Class Year Project is a BTM:NG Resource, it can elect to be evaluated for ERIS alone, or both ERIS and some MW level of CRIS, not to exceed its Net ICAP-, and if the Class Year Project is a request for External-to-ROS Deliverability Rights, it can request a MW level of CRIS, not to exceed the increase in transfer capability created by its associated Class Year Transmission Project, as demonstrated in the project's System Reliability Impact Study. If the Class Year Project is existing and/or already interconnected taking ERIS, the Class Year Project will be evaluated for a MW level of CRIS specified by the Developer, not to exceed the nameplate capacity of its facility, or for a BTM:NG Resource, not to exceed the Net ICAP.

Based on these Interconnection Service evaluation elections, on the Annual Transmission Reliability Assessment update of Interconnection System Reliability Impact Study results, and on the results of the Class Year Deliverability Study, ~~NY~~ISO staff shall, in accordance with these rules, provide the Developer of each interconnection project included in the then-~~current~~ Class Year with a dollar figure for its share of the cost of the System Upgrade Facilities required for

reliable interconnection of the project to the New York State Transmission System (“SUF Project Cost Allocation”). The ~~NY~~ISO shall also provide each Class Year Developer requesting CRIS with (i) a dollar figure for its share of the cost of the System Deliverability Upgrades required for the megawatt level of CRIS requested for the Class Year Project (“SDU Project Cost Allocation”), and (ii) the number of megawatts of Installed Capacity, if any, that are deliverable from the Class Year Project with no new System Deliverability Upgrades (“Deliverable MW”). The ~~NY~~ISO shall also provide a dollar figure for the total cost of the System Upgrade Facilities and System Deliverability Upgrades required for interconnection of the Class Year Project, as well as a description of the required System Upgrade Facilities and System Deliverability Upgrades, their expected in-service date, and a plan for their installation that is sufficient to verify these dollar figures. The ~~NY~~ISO shall also provide a dollar figure for the total cost of all System Upgrade Facilities required by projects in the Class Year and a dollar figure for the total cost of the System Deliverability Upgrades necessary to support the level of CRIS requested by each Class Year Developer. Each Class Year Developer will be given the Project Cost Allocation(s) and, Deliverable MW, if any associated with its Interconnection Service evaluation election, as soon as practicable prior to the submittal of the Annual Transmission Reliability Assessment and Class Year Deliverability Study to the Operating Committee.

25.8.2 Decision Periods for Class Year Study and Additional Deliverability Study~~s~~Years X-2 and Class Years Not Bifurcated Pursuant to Section 25.5.10

Within 30 calendar days following ~~the later of~~ (1) approval of the final Annual Transmission Reliability Assessment and Class Year Deliverability Study by the Operating Committee; ~~or (2) the end of the Preliminary SDU Decision Period set forth in Section 25.5.10.2, if applicable,~~ (collectively the “Class Year Study Reports”); or (2) approval of the final SDU

Study report by the Operating Committee when such approval is prior to completion of the Annual Transmission Baseline Assessment study cases for the following Class Year Study, (each such 30 calendar day period to be referred to as the “Initial Decision Period” for the respective study), or within 7 calendar days following the NYISO’s issuance of a revised ~~Annual Transmission Reliability Assessment, Class Year Deliverability Study~~Class Year Study report or a revised Additional SDU Study report, as applicable, and accompanying Revised Project Cost Allocation and revised Deliverable MW report, as defined in and pursuant to Section 25.8.3 (a “Subsequent Decision Period”), if applicable, each Developer shall provide notice to the NYISO, in writing and via electronic mail, stating whether it shall accept (an “Acceptance Notice”) or not accept (a “Non-Acceptance Notice”) the Project Cost Allocation(s) and Deliverable MW, if any, reported to it by the NYISO. Failure to notify the NYISO by the prescribed deadline as to whether a Developer accepts or rejects its Project Cost Allocation and Deliverable MW, if any, will be deemed a Non-Acceptance Notice. Each Developer may respond with either an Acceptance Notice or a Non-Acceptance Notice to each Project Cost Allocation and Deliverable MW reported to it by the NYISO. Starting with Class Year 2012, an Acceptance Notice for projects not yet In-Service must also include a confirmed In-Service Date and Commercial Operation Date, subject to the limitations set forth in Section 30.4.4.5 of Attachment X. A Developer in its first Class Year ~~Interconnection Facilities~~ Study that requests~~and requesting~~ to be evaluated for CRIS may accept both its SDU Project Cost Allocation and its SUF Project Cost Allocation. Alternatively, that Developer, if it accepts its SUF Project Cost Allocation, may provide a Non-Acceptance Notice for its SDU Project Cost Allocation and at the same time accept, or not accept its Deliverable MW. Or, as another alternative, that same Developer may elect to interconnect taking ERIIS by providing an Acceptance Notice only for its SUF Project

Cost Allocation. ~~Starting with Class Year 2012, a~~^A Developer that accepts an SUF and/or SDU Project Cost Allocation will not be provided with the option to accept a Revised Project Cost Allocation following a Subsequent Decision Period unless the Revised Project Cost Allocation provides for (1) an increase in the SUF or the SDU Project Cost Allocation; or (2) a decrease in the ~~Class Year Project's~~^{Developer's} Deliverable MW.

A Developer in an Additional SDU Study that has not completed when the Initial Decision Period for the Class Year Study has commenced may, in the Initial Decision Period or Subsequent Decision Period for the Class Year in which the Additional SDU Study was triggered, (1) accept its SUF Project Cost Allocation and proceed with its Additional SDU Study; (2) reject its SUF Project Cost Allocation and be withdrawn from both the Class Year Study and the Additional SDU Study; or (3) wait until the Initial Decision Period that commences pursuant to this Section 25.8.2 upon completion of the Additional SDU Study to provide an Acceptance Notice or Non-Acceptance Notice for its SUF Project Cost Allocation and SDU Project Cost Allocation; provided however, that pursuant to this Section 25.8.2, no Initial Decision Period will be triggered by an Additional SDU Study that is ongoing at the time the ISO completes the Annual Transmission Baseline Assessment study cases for the subsequent Class Year Study. The SUF Project Cost Allocation and any deliverable MW identified in the Class Year Study for a Developer in an Additional SDU Study that elects not to accept its SUF Project Cost Allocation with its Class Year, but that elects to wait until the Initial Decision Period that commences pursuant to this Section 25.8.2 upon completion of the Additional SDU Study, will be revised in light of the final Class Year project cost allocation decisions (*i.e.*, the SUF Cost Allocation and deliverable MW, if any, may change between the Initial Decision Period for the Class Year and the Initial Decision Period for the Additional SDU Study).

As soon as practicable following ~~receipt of either an Acceptance Notice or Non-Acceptance Notice from each Class Year Developer~~the end of the Initial Decision Period and any Subsequent Decision Period, as applicable, but not later than two (2) business days following ~~receipt~~the end of such decision period, the ~~NY~~ISO shall report to ~~the Operating Committee~~all Class Year Developers, in writing and via electronic mail, all of the acceptance Notices and Non-Acceptance Notices that were received during that decision period~~from all of the Developers in the then-current Class Year~~. Starting with Class Year 2012, consistent with Section 30.4.4.5 of Attachment X, for any project that fails to provide a confirmed In-Service Date and Commercial Operation Date in its Acceptance Notice or that provides a proposed In-Service Date or Commercial Operation Date with its Acceptance Notice that is beyond the time period permissible by Section 30.4.4.5 of Attachment X, the ~~NY~~ISO's Interconnection queue will reflect the latest possible permissible date, even if that requires the ~~NY~~ISO to reject and modify the proposed In-Service Date or Commercial Operation Date provided in the Class Project's Acceptance Notice. Subsequent modifications to a project's In-Service Date or Commercial Operation Date are governed by Section 30.4.4.5.2 of Attachment X.

25.8.2.1 If, following the Initial Decision Period or any Subsequent Decision Period, each and every Developer that remains eligible at that time provides Acceptance Notice(s), each Developer must signify its willingness to pay the Connecting Transmission Owner and Affected Transmission Owner(s) for its share of the required System Upgrade Facilities and System Deliverability Upgrades that it accepted by (i) satisfying Headroom payment/security posting obligations, if any, as specified in Section 25.8.7.6 and (ii) paying cash or posting Security (as hereinafter defined) in accordance with these rules, for the full

amount of its respective Project Cost Allocation within 5 business days after the end of the Initial Decision Period or Subsequent Decision Period, as applicable.

“Security” means a bond, irrevocable letter of credit, parent company guarantee or other form of security from an entity with an investment grade rating, executed for the benefit of the Connecting Transmission Owner and Affected Transmission Owner(s), meeting the requirements of these cost allocation rules, and meeting the respective commercially reasonable requirements of the Connecting Transmission Owner and Affected Transmission Owner(s). Security shall be posted to cover the period ending on the date on which full payment is made to the Connecting Transmission Owner for the System Upgrade Facilities, and the date(s) on which full payment is made to the Connecting Transmission Owner or Affected Transmission Owner(s) for the System Deliverability Upgrades; provided, however, that Security may be posted with a term as short as one year, so long as such Security is replaced no later than 15 business days before its stated expiration. In the event Security is not replaced as required in the preceding sentence, the Connecting Transmission Owner, or an Affected Transmission Owner in the case of Security for System Deliverability Upgrades, shall be entitled to draw upon the Security and convert it to cash, which cash shall be held by the Connecting Transmission Owner or Affected Transmission Owner for the account of the Developer. The round in which no remaining eligible Developers issue a Non-Acceptance Notice or commits a Security Posting Default shall be the final round for that Class Year [or Additional SDU Study](#) (the “Final Decision Round”).

25.8.2.2 At the end of the Initial Decision Period or any Subsequent Decision Period, if one or more of the Developers in the Class Year provides Non-Acceptance Notice (such event a “Non-Acceptance Event”), then every Developer in the Class Year shall be relieved of its obligation to pay cash or post Security in connection with that version of its Project Cost Allocation for both System Upgrade Facilities and System Deliverability Upgrades. In addition, following the Initial Decision Period or any Subsequent Decision Period, if all Developers in the Class Year provide Acceptance Notice under the Class Year Deliverability Study, the ATRA or both, but one or more of the Developers fails to pay cash or post the Security required hereunder (such event a “Security Posting Default”), then the beneficiaries of the payments and Security posted by the Developers that did pay or post Security (*e.g.*, the Connecting Transmission Owners and Affected Transmission Owners) shall surrender the cash and posted Security to the respective Developers immediately. The Connecting Transmission Owners or Affected Transmission Owner(s) shall not make any draws or encumbrances on any cash or posted Security unless and until cash has been paid and Security has been posted by all Developers that issued Acceptance Notices in the Final Decision Round.

25.8.2.3 Following the Initial Decision Period, or any Subsequent Decision Period, if a Non-Acceptance Event or a Security Posting Default shall have occurred with respect to the ATRA, the Developer that provided the Non-Acceptance Notice or committed the Security Posting Default with respect to its SUF Project Cost Allocation will be removed by the ~~N~~ISO from the then current Class Year

~~Interconnection Facilities~~ Study. If a Developer provides an Acceptance Notice and posts the required Security for its SDU Project Cost Allocation, or has done so in a prior Class Year, but provides a Non-Acceptance Notice with respect to its SDU Project Cost Allocation, it may ~~issue~~ provide an Acceptance Notice for its Deliverable MW and interconnect taking CRIS at that level. If the Developer either (i) provides a Non-Acceptance Notice with respect to both its SDU Project Cost Allocation and its Deliverable MW, or (ii) commits a Security Posting Default with respect to its SDU Project Cost Allocation, then that Developer shall be removed from the Class Year Deliverability Study or Additional SDU Study, as applicable, but, if in the Class Year Study, ~~but~~ it may continue to participate in the ATRA and interconnect taking ERIS if it provides an Acceptance Notice and posts the required Security for its SDU Project Cost Allocation. The Developer electing to interconnect taking ERIS may later request, any number of times, to ~~be placed in the then-Open~~ enter a Class Year Study or Expedited Deliverability Study and be evaluated for CRIS, subject to the Class Year Study and Expedited Deliverability Study entry requirements set forth in Section 25.5.9 of this Attachment S. The Developer will not be re-evaluated for ERIS. Once evaluated for CRIS in ~~the~~ later Class Year or Expedited Deliverability Study, the Developer may elect to accept either its SDU Project Cost Allocation or its Deliverable MW, or the Developer may provide a Non-Acceptance Notice for both its SDU Project Cost Allocation and its Deliverable MW and continue its interconnection taking ERIS. If the Developer does provide a Non-Acceptance Notice for both its SDU Project Cost Allocation and Deliverable MW and

continues taking ERIS, the Developer may later request to ~~be placed in the then~~
~~Open~~ enter a Class Year Study or Expedited Deliverability Study, subject to the
Class Year Study and Expedited Deliverability Study entry requirements set forth
in Section 25.5.9 of this Attachment S, and be evaluated again for CRIS. If,
however, a Developer provides a Non-Acceptance Notice or commits a Security
Posting Default for its SUF Project Cost Allocation, that Class Year Project shall
be removed from both the ATRA and, if applicable, the Class Year Deliverability
Study, and that Developer's Interconnection Request will be processed further in
accordance with Section 25.6.2.3 above.

25.8.2.4 Whenever projects are removed from an Annual Transmission Reliability
Assessment, ~~and/or~~ Class Year Deliverability Study, Additional SDU Study, or
Expedited Deliverability Study, NYISO staff will notify the remaining
Developers ~~of the remaining Class Year Projects~~ still included in the Annual
Transmission Reliability Assessment, ~~and/or~~ Class Year Deliverability Study,
Additional SDU Study, or Expedited Deliverability Study, as applicable.

**25.8.3 Revised Study Results ~~and Project Cost Allocations for Class Years X-2~~
~~and Class Years Not Bifurcated Pursuant to Section 25.5.10~~**

Immediately following receipt of Non-Acceptance Notices for any SDU Project Cost
Allocations or SUF Project Cost Allocations or Deliverable MW, or upon the occurrence of a
Security Posting Default, the NYISO shall update the Class Year ~~Interconnection Facilities~~
Study results or Additional SDU study results for those remaining ~~Class-year Projects~~ Developers
that continue to be included in the then-current Annual Transmission Reliability Assessment, ~~and~~
Class Year Deliverability Study, or Additional SDU Study, as applicable, to reflect the impact of
Non-~~a~~ Acceptance ~~acceptance~~ Notices and any Security posting Default. The updated Class Year

~~Interconnection Facilities~~ Study or Additional SDU Study, as applicable, shall include updated SUF Project Cost Allocations and updated SDU Project Cost Allocations (each a “Revised Project Cost Allocation”) together with a revised Deliverable MW report. The updated ~~Class Year Interconnection Facilities~~ Class Year Study shall be issued as soon as practicable, but in no event later than 14 calendar days following the occurrence of the Non-Acceptance Event or the Security Posting Default that necessitated development of the Revised Project Cost Allocations and revised Deliverable MW report. The ~~NY~~ISO shall also provide the additional dollar figures relating to total cost ~~and Class Year projects~~ for Developers in the Class Year Study or Additional SDU Study, as applicable, and the related information, described in Section 25.8.1, above.

Following the issuance of the revised Annual Transmission Reliability Assessment, ~~and Class Year Deliverability Study~~, or Additional SDU Study, as applicable, and the issuance of Revised Project Cost Allocations and the revised Deliverable MW ~~report~~, each remaining Developer shall provide notice to the ~~NY~~ISO within 7 calendar days whether it will accept its respective Revised Project Cost Allocation and revised Deliverable MW.

25.8.4 Completion of Class Year Decision Process ~~for Class Years X-2 and Class Years Not Bifurcated Pursuant to Section 25.5.10~~

The process set forth in Sections 25.8.2 through 25.8.3 shall be repeated until ~~either (a)~~ none of the remaining eligible Developers in the Class Year Study or Additional SDU Study, as applicable, provides a Non-Acceptance Notice or commits a Security Posting Default, ~~or (b) all Developers have dropped out of the Class Year~~.

25.8.5 Forfeiture of Security

With the exception of the requirement that cash and Security shall be surrendered back to the issuing Developer in connection with another Developer’s Security Posting Default, once a

Developer has accepted the Project Cost Allocation(s) or Revised Project Cost Allocation(s) appropriate for its Interconnection Service election, as the case may be, and paid cash and posted Security or posted Security for that amount, such cash payment and Security shall be irrevocable and shall be subject to forfeiture as provided herein in the event that the Developer that paid cash and posted Security or posted the Security subsequently terminates or abandons development of its project. Any cash and Security previously posted on a terminated interconnection project will be subject to forfeiture to the extent necessary to defray the cost of the System Upgrade Facilities and System Deliverability Upgrades required for the projects ~~still~~ included in the Annual Transmission Reliability Assessment, ~~and~~ Class Year Deliverability Study, [or Additional SDU Study, as applicable](#), but only as described below. Security for System Upgrade Facilities constructed by the Developer (*i.e.*, for which the Developer elects the option to build), shall be reduced after discrete portions of the System Upgrade Facilities have been completed, such reductions to be based on cost estimates from the Class Year ~~Interconnection Facilities~~ Study, subject to review by the Connecting Transmission Owner or Affected Transmission Owner with which Security is posted, and subject to transfer of ownership to the Connecting Transmission Owner or Affected Transmission Owner, as applicable of all subject property, free and clear of any liens, as well as transfer of title and any transferable equipment warranties reasonably acceptable to the Connecting Transmission Owner or Affected Transmission Owner with which Security is posted. For System Upgrade Facilities constructed by the Connecting Transmission Owner or Affected Transmission Owner, Security shall be reduced after discrete portions of the System Upgrade Facilities have been completed by the Transmission Owner and paid for by the Developer, on a dollar-for-dollar basis for payments made to the Connecting Transmission Owner or Affected Transmission Owner pursuant to an E&P Agreement or Interconnection

Agreement, subject to the Connecting Transmission Owner's or Affected Transmission Owner's review and approval.

25.8.6 Developer's Future Cost Responsibility

Once a Developer has accepted a Project Cost Allocation or Revised Project Cost Allocation, as the case may be, in the Final Decision Round and paid cash and posted Security or posted Security for that amount, then the accepted figure caps the Developer's maximum potential responsibility for the cost of System Upgrade Facilities and System Deliverability Upgrades required for its project, except as discussed below.

25.8.6.1 If the portion of the Highway System Deliverability Upgrades required to make the Developer's generator or Class Year Transmission Project deliverable is less than 90% of the total size of the Highway System Deliverability Upgrade identified for the Developer's project, and the Developer elects to commit to pay for its proportionate share of the Highway System Deliverability Upgrade by posting Security instead of paying cash, then the Developer's allocated cost of the Highway System Deliverability Upgrade will be increased during the period of construction deferral by application of a construction inflation adjustment, as discussed in Section 25.7.12.2 of these rules. When deferred construction of the Highway System Deliverability Upgrade commences, the Developer will be responsible for actual costs in excess of the secured amount only when the excess results from changes to the operating characteristics of the Developer's project. If the portion of the System Deliverability Upgrades for a Highway System Deliverability Upgrade required to make one or more generators or Class Year Transmission Projects in a Class Year deliverable is ninety percent (90%) or more

of the total size (measured in MW) of the System Deliverability Upgrades, construction is not deferred, and those Developers will be responsible for actual costs in excess of the secured amount in accordance with the rules in Sections 25.8.6.2-25.8.6.4 of this Attachment S.

25.8.6.2 If the actual cost of the Developer's share of required System Upgrade Facilities or System Deliverability Upgrades is less than the agreed-to and secured amount, the Developer is responsible only for the actual cost figure.

25.8.6.3 If the actual cost of the Developer's share of required System Upgrade Facilities or System Deliverability Upgrades would be greater than the agreed-to and secured amount because other projects have been expanded, accelerated, otherwise modified or terminated, including transmission projects evaluated pursuant to Attachment P to the OATT and their required upgrades, as identified pursuant to Attachment P to the OATT, then the Developer is responsible only for the agreed-to and secured amount for its project. The additional cost is covered by the Developers of the modified projects, in accordance with these cost allocation rules, or by the drawing on the cash that has been paid and the Security that has been posted for terminated projects, depending on the factors that caused the additional cost. Forfeitable cash and Security will be drawn on only as needed for this purpose, and only to the extent that the terminated project associated with that Security has caused additional cost.

25.8.6.4 If the actual cost of the Developer's share of required System Upgrade Facilities or System Deliverability Upgrades is greater than the agreed-to and secured amount because of circumstances that are not within the control of the

Connecting Transmission Owner or Affected Transmission Owner(s) (such as, for example: (i) changes to the design or operating characteristics of the ~~Class Year Project~~project that impact the scope or cost of related System Upgrade Facilities or System Deliverability Upgrades; (ii) any costs that were not within the scope of the ~~Class Year Interconnection Facilities~~Class Year Study or Additional SDU Study, as applicable, ~~Study~~ that subsequently become known as part of the final construction design, including costs related to detailed design studies such as electro-magnetic transient analyses and subsynchronous resonance analyses; or (iii) cost escalation of materials or labor, or changes in the commercial availability of physical components required for construction), the cost cap shall be adjusted by any such amount and the Developer or the Load Serving Entity will pay the additional costs to the Connecting Transmission Owner or Affected Transmission Owner(s) as such costs are incurred by each of them. However, to the extent that some or all of the excess cost is due to factors within the control of the Connecting Transmission Owner or the Affected Transmission Owner(s) (such as, for example, additional construction man-hours due to Connecting Transmission Owner or the Affected Transmission Owner(s) management, or correcting equipment scope deficiencies due to Connecting Transmission Owner or the Affected Transmission Owner(s) oversights), then that portion of the excess cost will be borne by the Connecting Transmission Owner or the Affected Transmission Owner(s). Disputes between the Developer and the Connecting Transmission Owner concerning costs in excess of the agreed-to and secured amount will be resolved by the parties in accordance with the terms and

conditions of their interconnection agreement. Disputes between the Developer and an Affected Transmission Owner will be resolved in accordance with Section 30.13.5 of the LFIP, or Section 32.4.2 of Attachment Z, as applicable.

25.8.7 Headroom Accounting

If, pursuant to these rules, a Developer, Connecting Transmission Owner, Affected Transmission Owner or Load Serving Entity (each an “Entity”) pays for any System Upgrade Facilities or System Deliverability Upgrades, or for any Attachment Facilities or Distribution Upgrades that are later determined to be System Upgrade Facilities or System Deliverability Upgrades, that create “Headroom”, and pays for the Headroom that is created, then that Entity will be paid the depreciated cost of that Headroom by the Developer of any subsequent project that interconnects and uses the Headroom within the applicable period of time following the creation of the Headroom, as specified in Section 25.8.7.4.3 herein. The ~~NY~~ISO will depreciate Headroom cost in accordance with Section 25.8.7.3 herein.

25.8.7.1 Developers of terminated projects who have paid for Headroom with forfeited cash or Security instruments, as well as Developers of completed projects who have paid for Headroom, will be repaid in accordance with these rules.

25.8.7.2 The Developer of the subsequent project shall pay the prior Entity as soon as the cost responsibilities of the subsequent Developer are determined in accordance with these rules. In the case of Headroom created by Load Serving Entity funding Highway System Deliverability Upgrades pursuant to Schedule 12 of the ~~NY~~ISO OATT, the Developer of the subsequent project shall pay the Connecting Transmission Owner, and any Affected Transmission Owner(s), that

are receiving or will receive Load Serving Entity funding for the Highway System Deliverability Upgrades pursuant to Schedule 12 of the ~~NY~~ISO OATT. Upon receipt of the Developer Headroom payment, the Connecting Transmission Owner and any Affected Transmission Owner(s), will make the rate adjustment(s) called for by Section 6.12.4.1.3 of Schedule 12 of the ~~NY~~ISO OATT.

25.8.7.3 The ~~NY~~ISO will determine the depreciated cost of the System Upgrade Facilities and/or System Deliverability Upgrades associated with the Entity - created Headroom using one of the following two methods:

25.8.7.3.1 In all cases except the case of Highway System Deliverability Upgrades funded by Load Serving Entities pursuant to Schedule 12 of the ~~NY~~ISO OATT, the ~~NY~~ISO will use the FERC-approved depreciation schedule applied to comparable facilities by the Connecting Transmission Owner or the applicable Affected Transmission Owner. The ~~NY~~ISO will depreciate the Headroom cost annually, starting with the year when the Headroom account is first established.

25.8.7.3.2 In the case of Highway System Deliverability Upgrades funded by Load Serving Entities pursuant to Schedule 12 of the ~~NY~~ISO OATT, the ~~NY~~ISO will use the FERC-approved depreciation schedule applied to the particular Highway System Deliverability Upgrades by the Connecting Transmission Owner or the applicable Affected Transmission Owner pursuant to Schedule 12 of the ~~NY~~ISO OATT. The ~~NY~~ISO will depreciate the Headroom cost annually, starting with the year the Highway System Deliverability Upgrade is placed in service. If a Class Year Deliverability Study or Additional SDU Study determines that a ~~Class Year~~ ~~project~~Developer in such study uses Headroom on such a Highway System

Deliverability Upgrade before the Highway System Deliverability Upgrade has been placed in service, the ~~NY~~ISO will calculate the Headroom use payment obligation of the ~~Class Year project~~Developer using the undepreciated cost of the Headroom.

25.8.7.4 Entity-created Headroom will be measured by the ~~NY~~ISO in accordance with these rules. The use that a subsequent project makes of Entity -created Headroom will also be measured by the ~~NY~~ISO in accordance with these rules.

25.8.7.4.1 In the case of Headroom on System Upgrade Facilities that have an excess functional capacity not readily measured in amperes or other discrete electrical units, the use that each subsequent project makes of the Entity-created Headroom will be measured solely by using the total number of projects in the current and prior Class Years needing or using the System Upgrade Facility.

25.8.7.4.1.1 The use that each project in a subsequent Class Year makes of Headroom on such a System Upgrade Facility will be measured as an amount equal to $(1/b)$, where “b” is the total number of projects in all prior and current Class Years using the System Upgrade Facility.

25.8.7.4.1.2 Each Developer in a subsequent Class Year that uses Headroom on such a System Upgrade Facility will make a Headroom payment to all prior Developers that have previously made payments for that System Upgrade Facility, both the prior Developers that have previously made Headroom payments and the Developers in the first Class Year that paid for the original installation of the System Upgrade Facility. The amount of the Headroom payment to each prior Developer that each Developer in a subsequent Class Year must make for its use

of Headroom on such a System Upgrade Facility will be an amount equal to $c/(b) \times (d)$, where “c” is the depreciated cost of the System Upgrade Facility at the time of the subsequent Class Year ~~Interconnection Facilities~~ Study, “b” is the total number of projects in all prior and current Class Years using the System Upgrade Facility, and “d” is the total number of projects in all the prior Class Years that have previously made payments for the System Upgrade Facility, both Headroom payments and payments for original installation.

25.8.7.4.2 In the case of System Upgrade Facilities or System Deliverability

Upgrades that have an excess capacity readily measured in amperes or other discrete electrical units, the use the subsequent project makes of the Entity-created Headroom will be measured in terms of the electrical impact of the subsequent project, as that electrical impact is determined by the ~~NY~~ISO in accordance with these rules.

25.8.7.4.3 The ~~NY~~ISO will publish accounts showing the Headroom for each ~~Class Year of Developers~~ and other Entities, and will update those accounts to reflect the impact of subsequent projects. With the exception of Headroom on Highway System Deliverability Upgrades funded by Load Serving Entities pursuant to Schedule 12 of the ~~NY~~ISO OATT, the ~~NY~~ISO will close the Headroom account of an Entity when the electrical values in the account are reduced to zero or when ten years have passed since the establishment of the account, whichever occurs first.

25.8.7.4.3.1 In the case of Headroom on Highway System Deliverability Upgrades funded by Load Serving Entities pursuant to Schedule 12 of the ~~NY~~ISO OATT,

the ~~NY~~ISO will close the Headroom account of the Load Serving Entity when the MW value in the account is reduced to zero, or at the end of the useful financial life of the Highway System Deliverability Upgrades, whichever occurs first.

25.8.7.4.4 If a subsequent Developer uses up all the Headroom of an earlier Entity, and also triggers the need for a new System Upgrade Facility or System Deliverability Upgrade, then the subsequent Developer will pay the Connecting Transmission Owner or Affected Transmission Owner for the new System Upgrade Facility or System Deliverability Upgrade, but will not pay the earlier Entity for the Headroom used up or the account extinguished. However, the earlier Entity will get a new Headroom account and a *pro rata* share of the Headroom in the new System Upgrade Facility or System Deliverability Upgrade purchased by the subsequent Developer. The economic value of this *pro rata* share will be equal to the economic value of the earlier Entity's Headroom account that was extinguished by the subsequent Developer.

25.8.7.5 For Class Years 2001 and 2002, the ~~NY~~ISO shall account for Headroom as provided by the Non-Financial Settlement. Developers in Class Year 2002 shall reimburse Class Year 2001 Developers in accordance with the terms of the Non-Financial Settlement.

25.8.7.6 The Developer of the subsequent project shall pay the prior Entity within the five (5) business day period specified in Section 25.8.2.1 of this Attachment S. Headroom obligations related to a System Upgrade Facility that has been fully constructed must be satisfied by cash payment. Starting with Class Year 2012, all remaining Headroom obligations may be satisfied by a form of "Headroom

Security” – a bond, irrevocable letter of credit, parent company guarantee or other form of security from an entity with an investment grade rating, executed for the benefit of the prior Entity, meeting the requirements of these cost allocation rules, and meeting the respective commercially reasonable requirements of the prior Entity. Headroom Security shall be posted to cover the period ending on the date on which full payment is made to the prior Entity for the Headroom obligation; provided, however, that Headroom Security may be posted with a term as short as one year, so long as such Headroom Security is replaced no later than fifteen (15) business days before its stated expiration. In the event Headroom Security is not replaced as required in the preceding sentence, the prior Entity shall be entitled to draw upon the Headroom Security and convert it to cash, which cash shall be held by the prior Entity for the account of the Developer.

25.8.8 Headroom Account Adjustments in the ATBA

In addition to the adjustments made by the ~~NY~~ISO in Headroom accounts to reflect the impact of subsequent projects, the ~~NY~~ISO will make other adjustments to Headroom accounts when preparing for each Annual Transmission Baseline Assessment. The ~~NY~~ISO will make these adjustments to reflect the impact of changes in the Existing System Representation modeled for the Annual Transmission Baseline Assessment that result from the installation, expansion or retirement of generation and transmission facilities for load growth and changes in load patterns. Such changes in the Existing System Representation can also result from changes in these rules or the criteria, methods or, software used to apply these rules.

25.8.8.1 No compensation will be paid as a result of these changes to the Existing System Representation. However, the ~~NY~~ISO will adjust the ratios of dollars to

electrical values in each Entity's account to maintain the economic value of the Entity's account that existed before the changes were made in the Existing System Representation.

25.8.8.2 The ~~NY~~ISO will make no adjustments to Headroom accounts for the impact of subsequent generic solutions, except in those cases where the generic solution is a Class Year project and the adjustment is made to reflect the impact of the Class Year project.

25.8.9 Rate Base Facilities

With the exception of Developer use of Headroom created by Load Serving Entity funding of Highway System Deliverability Upgrades pursuant to Schedule 12 of the ~~NY~~ISO OATT, Developers are not charged for their use of any rate base facilities, except to the degree applicable as customers taking service in accordance with the rates, if any, that apply to those facilities.

25.9 Going Forward

25.9.1 ERIS Election and future Evaluation for CRIS

Whenever a Developer elects to interconnect taking ERIS only, that Developer may, at any later date, ask the ISO to evaluate the Developer's Large Facility or Small Generating Facility for CRIS by including the Developer's Large Facility or Small Generating Facility in [\(1\) the next Open Class Year and the Deliverability Study to be conducted for that Class Year; or \(2\) the next open Expedited Deliverability Study.](#)

25.9.2 No Developer Responsibility for Future Upgrades

Once a Developer has posted Security for its share of the System Upgrade Facilities required for its project, and paid cash or posted Security for its share of the System Deliverability Upgrades required for its project, then, except as provided in Section 25.8.6 of these rules, that Developer has no further responsibility for the cost of additional Attachment Facilities, Distribution Upgrades System Upgrade Facilities and System Deliverability Upgrades that may be required in the future.

25.9.2.1 The Project interconnection agreement executed between a Developer and its Connecting Transmission Owner will reflect the Developer's responsibility for the cost of new Attachment Facilities, Distribution Upgrades and System Upgrade Facilities and System Deliverability Upgrades, as that responsibility has been determined in accordance with these rules.

25.9.2.2 The cost of those additional Attachment Facilities, Distribution Upgrades, System Upgrade Facilities and System Deliverability Upgrades needed for future interconnection projects will be shared between future Developers and

Transmission Owners, and allocated among future Developers, in accordance with the rules.

25.9.3 CRIS Rights

25.9.3.1 Retaining CRIS Status

~~Large Facilities and Small Generating~~ Facilities qualifying for CRIS will retain their CRIS Status at the capacity level found deliverable ~~in the Class Year Deliverability Study or at the final CRIS level determined pursuant Section 25.9.3.3, Section 25.9.3.4.1, or Section 25.9.3.5, as applicable~~ pursuant to this Attachment S, regardless of subsequent changes to the transmission system or the transfer of facility ownership, provided the facility has not withdrawn from the ISO interconnection queue, remains capable of operating at the capacity level studied, and is not CRIS-inactive for more than three (3) continuous years.

25.9.3.1.1 For the purpose of the rules in this Section 25.9.3, and in Sections 25.9.4 and 25.9.5 of Attachment S, once a facility has synchronized and has CRIS, becomes CRIS-inactive on the last day of the month ~~during for~~ which it fails to (i) ~~it ceases to~~ offer capacity into ISO capacity auctions, and/or (ii) ~~it ceases to be registered~~ certify capacity as an Installed a Capacity ~~Resource Supplier for a Load Serving Entity~~ through a bilateral transaction ~~bilateral transaction~~ (s) or Export of capacity to an External Control Area, ~~self-supply arrangement, except as~~ provided in Sections 25.9.3.1.1.1 and 25.9.3.1.1.2 below.

25.9.3.1.1.1 A facility that has synchronized before [the last day of the month containing the effective date] and was not CRIS-inactive under the previously-effective rules due to its activity as a load modifier, will be considered CRIS-inactive no earlier

than [the last day of the month containing the effective date], based on its activity on and after that date.

25.9.3.1.1.2 A facility that has synchronized before [the last day of the month containing the effective date] but never offered capacity into ISO capacity auctions or certified capacity through a bilateral prior to [the last day of the month containing the effective date] will be considered CRIS-inactive no earlier than [the last day of the month containing the effective date], based on its activity on and after that date.

25.9.3.1.2 –In the case of a CRIS-inactive facility, the facility’s CRIS status at the capacity level eligible for CRIS terminates three years after the facility becomes CRIS-inactive, except as provided in Sections 5.18.2.3.2, 5.18.3.3.2, and 5.18.5 of the Services Tariff, unless the CRIS-inactive facility takes one of the following actions before the end of the three-year period: (1) returns to service and participation in ISO capacity auctions or bilateral transactions; (2) transfers capacity deliverability rights to another Large Facility or Small Generating Facility at the same or a different electrical location that becomes operational within three years from the deactivation of the original facility.

25.9.3.2 Term of External CRIS Rights

25.9.3.2.1 The initial term of External CRIS Rights, whether based on a Contract or Non-Contract Commitment, will be for an Award Period of no less than five (5) years.

25.9.3.2.2 An entity holding External CRIS Rights may renew those rights for one or more subsequent terms, as described below:

25.9.3.2.2.1 An entity holding External CRIS Rights based on a Contract Commitment may renew its External CRIS Rights, provided that the ISO receives from the entity a request to renew on or before the date specified in Section 25.9.3.2.2.3 indicating that the entity has renewed its bilateral contract to supply External Installed Capacity for an additional term of no less than five (5) years. If the entity does so, then that entity's External CRIS Rights will be renewed for the same additional term, without any further evaluation of the deliverability of the External Installed Capacity covered by the renewed bilateral contract.

25.9.3.2.2.2 An entity holding External CRIS Rights based on a Non-Contract Commitment may renew its External CRIS Rights, provided that the ISO receives from the entity a request to renew on or before the date specified in Section 25.9.3.2.2.3. Any Non-Contract Commitment renewal must be for an additional term of no less than five (5) years. If the entity does so, then that entity's External CRIS Rights will be renewed for the same additional term, without any further evaluation of the deliverability of the External Installed Capacity associated with the Non-Contract Commitment.

25.9.3.2.2.3 Requests for renewal of External CRIS Rights must be received by the ISO on or before a date defined by the earlier of: (i) six months prior to the expiration date of the Contract or Non-Contract Commitment, or (ii) one month prior to the Study Start Date of the ATRA that is prior to the start of the last Summer Capability Period within the current Award Period or renewal of an Award Period.

25.9.3.2.3 External CRIS Rights will terminate at the end of the effective Award

Period or renewal of an Award Period if those rights have not been renewed for an additional term, pursuant to the process described above.

25.9.3.3 CRIS for Facilities Pre-Dating Class Year 2007

For Large Facilities and Small Generating Facilities pre-dating Class Year 2007, *i.e.*, facilities interconnected or completely studied for interconnection before the projects in Class Year 2007, the facility shall qualify for CRIS service so long as (i) it is not retired (*e.g.*, identified as retired in a NYISO Load and Capacity Data Report prior to October 5, 2008, (ii) its interconnection agreement is not terminated, and (iii) the facility begins commercial operations within three years of the commercial operation date or comparable commencement date specified in its initial interconnection agreement filing. A generator or merchant transmission facility pre-dating Class Year 2007 without an interconnection agreement on October 5, 2008, or one with an initial interconnection agreement filing that does not specify a commercial operation date or any comparable commencement date, shall qualify for CRIS so long as it is not retired (*e.g.*, identified as retired in a NYISO Load and Capacity Data Report) prior to October 5, 2008 and it begins commercial operations within three years of its in-service date specified in the 2008 NYISO Load and Capacity Data Report. For generators pre-dating Class Year 2007, the CRIS capacity level will be set at the maximum DMNC level achieved during the five most recent Summer Capability Periods prior to October 5, 2008, even if that DMNC value exceeds nameplate MW.

For a generator pre-dating Class Year 2007 and not having DMNC levels recorded for five Summer Capability Periods prior to October 5, 2008, its CRIS capacity level will be set, and reset if necessary, at the maximum DMNC level achieved during successive Summer Capability

Periods until it has DMNC levels recorded for five Summer Capability Periods. Prior to the establishment of the generator's first DMNC value for a Summer Capability Period, the generator's CRIS level will be set at nameplate MW. The CRIS capacity level for intermittent resources pre-dating Class Year 2007 will be set at nameplate MW, and the CRIS capacity level for controllable lines pre-dating Class Year 2007 will be set at the MW of Unforced Capacity Deliverability Rights awarded to them. Existing generators that are eligible for CRIS under this Section 25.9.3.3.3 that wish to obtain CRIS pursuant to this provision must request CRIS within 60 days of May 19, 2016; CRIS cannot be obtained under this Section 25.9.3.3.3 if not requested by such date.

25.9.3.4 CRIS for Facilities Not Subject to ISO Interconnection Procedures

Starting May 19, 2016, all facilities that wish to become eligible to participate as Installed Capacity Suppliers pursuant to the requirements of Section 5.12 of the ISO Services Tariff, must have CRIS, even if the facility is not or was not, when interconnected, subject to the ISO's interconnection procedures set forth in Attachments X or Z to the OATT.

Facilities not subject to the ISO's interconnection procedures set forth in Attachments X and Z to the OATT may obtain CRIS rights by (i) entering a Class Year Deliverability Study and satisfying the NYISO Deliverability Interconnection Standard or (ii) satisfying the requirements set forth in Section 25.9.3.4.1. For a facility subject to this Section 25.9.3.4 that has obtained CRIS on or before [effective date], its CRIS will terminate four (4) years after [effective date] if the Developer has failed to provide notice to the ISO that the facility has synchronized. For a facility subject to this Section 25.9.3.4 that obtains CRIS after [effective date], its CRIS will terminate four (4) years after the facility obtains CRIS, if the Developer fails to provide notice to the ISO that the facility has synchronized.

25.9.3.4.1 A facility not subject to the ISO's interconnection procedures set forth in Attachments X and Z to the OATT may obtain CRIS without being evaluated in a Class Year Deliverability Study if it meets the following requirements (i) if the facility has not commenced Commercial Operation, it must have completed all required interconnection studies and have an effective interconnection agreement by May 19, 2016, (ii) if the facility has commenced Commercial Operation by May 19, 2016, it must have an effective interconnection agreement and must not have been out-of-service for more than three (3) consecutive years; (iii) it is not or was not, when first interconnected, subject to the ISO's interconnection procedures set forth in Attachments X and Z to the OATT, and (iv) the facility owner must request CRIS within 60 days of May 19, 2016. The CRIS level for a facility that qualifies for CRIS under this Section 25.9.3.4.1 will be set in accordance with Section 25.9.3.4.1.1 and 25.9.3.4.1.2.

25.9.3.4.1.1 BTM:NG Resource

A BTM:NG Resource's initial CRIS level will be set at its Net-ICAP level. The CRIS level will be set, and reset if necessary, at the maximum Net-ICAP level achieved during successive Summer Capability Periods until the facility has Net-ICAP levels recorded for five Summer Capability Periods. The five-year CRIS set and reset period begins with the first Summer Capability Period, following receipt of an initial CRIS value, for which the BTM:NG Resource's Net-ICAP calculation incorporates a demonstrated Average Coincident Host Load. The final CRIS level will be the highest Net-ICAP recorded for the Summer Capability Period during the five-year set and reset period, excluding the initial CRIS level.

The five-year CRIS set and reset period will terminate early, before five Net-ICAP values have been recorded if any of the following conditions occurs: (i) the BTM:NG Resource ceases to qualify as a BTM:NG Resource pursuant to Section 5.12.1 of the Services Tariff; (ii) the BTM:NG Resource elects to participate as another type of Installed Capacity Supplier, other than as a BTM:NG Resource; or (iii) the BTM:NG Resource's Net ICAP is equal to or less than zero for a Capability Period. Upon an early termination of the five-year CRIS set and reset period, the final CRIS value will be determined based on the available data from the CRIS set and reset period up to the point of early termination – *i.e.*, the highest Net-ICAP value recorded during the CRIS set and reset period prior to the point of early termination.

25.9.3.4.1.2. Facilities Other than BTM:NG Resources.

Prior to the establishment of the generator's first DMNC value for a Summer Capability Period, the generator's CRIS level will be set at nameplate MW. The CRIS level will be set, and reset if necessary, at the maximum DMNC level achieved during successive Summer Capability Periods until the facility has DMNC levels recorded for five Summer Capability Periods.

25.9.3.5 CRIS for BTM:NG Resources Evaluated in a Class Year Deliverability Study

If meter data is available for both the Load and the generator, the initial CRIS that can be requested is limited to the demonstrated Net-ICAP. If meter data is not available for either the Load or the generator of the BTM:NG Resource, the initial CRIS that can be requested is limited to the Net-ICAP calculation set forth in Section 5.12.1 of the ISO Services Tariff. The initial CRIS level will set at the CRIS MW level evaluated in the Class Year Deliverability Study and either found to be deliverable or for which the Developer accepted its Project Cost Allocation and posted Security for any required System Deliverability Upgrades.

The CRIS level will be set, and reset if necessary, at the maximum DMNC level achieved during successive Summer Capability Periods, not to exceed the initial CRIS level, until the facility has DMNC levels recorded for five Summer Capability Periods – *i.e.*, the initial CRIS level will act as a cap through the set and reset period and for the final CRIS level. The final CRIS level will be the highest Net-ICAP recorded for the Summer Capability Period during the five-year set and reset period, excluding the initial CRIS level.

The five-year CRIS set and reset period will terminate early, before five Net-ICAP values have been recorded if any of the following conditions occurs: (i) the BTM:NG Resource ceases to qualify as a BTM:NG Resource pursuant to Section 5.12.1 of the Services Tariff; (ii) the BTM:NG Resource elects to participate as another type of Installed Capacity Supplier, other than as a BTM:NG Resource; or (iii) the BTM:NG Resource's Net ICAP is equal to or less than zero for a Capability Period. Upon an early termination of the five-year CRIS set and reset period, the final CRIS value will be determined based on the available data from the CRIS set and reset period up to the point of early termination – *i.e.*, the highest Net ICAP value recorded during the CRIS set and reset period prior to the point of early termination.

25.9.4 Transfer of Deliverability Rights - Same Location

If a facility deactivates an existing unit within the NYCA and commissions a new one at the same electrical location, the CRIS status of the deactivated facility and its deliverable capacity level may be transferred to that same electrical location, provided that the new facility becomes operational within three years from the deactivation of the original facility. The new facility will only acquire the assigned capacity deliverability rights once the new facility becomes operational. Capacity rights will be stated in MW of Installed Capacity. In the case of transfers between the same or different resource types, those MW of Installed Capacity will be

adjusted by the derate factor applicable to the existing facility (based on the asset-class derate factors used in the most recent Class Year Deliverability Study) before the transfer and, following the transfer, will be readjusted to MW of Installed Capacity in accordance with the derate factor applicable to the new facility (based on the asset-class derate factors used in the most recent Class Year Deliverability Study).

25.9.5 Transfer of Deliverability Rights - Different Locations

Rights may also be transferred on a bilateral basis between an existing facility within the NYCA and a new facility at a different location within the NYCA to the extent that the new facility is found to be deliverable after the existing facility assumes ERIS status or deactivates. The new facility may contract with an existing facility (with assigned capacity rights) to transfer some or all of the existing facility's assigned capacity rights. The new facility will be allowed to acquire these rights if it meets the deliverability test executed in the following manner:

25.9.5.1 Prior to the Class Year Deliverability Study, the new and existing facilities involved in the transfer transaction must tell the ISO the MW level of capacity rights proposed to be transferred. Capacity rights will be stated in MW of Installed Capacity. In the case of transfers between different resource types, those MW of Installed Capacity will be adjusted by the derate factor applicable to the existing facility before the transfer and, following the transfer, will be readjusted to MW of Installed Capacity in accordance with the derate factor applicable to the new project. All derate factors will be based on the asset-class derate factors in the current Class Year Deliverability Study.

25.9.5.1.1 The ISO will evaluate the deliverability of the Class Year projects together, with no transfers, to determine the extent to which new facilities in the

Class Year that are parties to proposed transactions are deliverable without the proposed transfers.

25.9.5.1.2 The ISO will then reduce the output of all established facilities that are parties to proposed transactions to see if the new facility counterparties benefit, *i.e.*, their undeliverable capacity is made deliverable, from the proposed transfers; provided, however, the established facilities will be reduced only to the extent that their reduction does not adversely impact the deliverability of Class Year projects that are not parties to the proposed transactions.

25.9.5.1.3 If the deliverability test conducted by the ISO shows that the new Class Year projects that are parties to the proposed transactions are fully or partially deliverable with these reductions of the established facility counterparties, then the new projects will be given five business days to notify the ISO as to whether their particular transaction is final or not. If any proposed transactions are not finalized, then Sections 25.9.5.1.1 and 25.9.5.1.2 will be repeated until all proposed transactions have been terminated or finalized.

25.9.5.2 For each finalized transaction, the existing facility that is a party to the transaction will be modeled in ~~Class Year Interconnection Facilities~~[Class Year](#) Study at its reduced output level (current level less CRIS finally transferred adjusted by the applicable derate factors). The Deliverability of Class Year Projects not parties to finalized transactions may benefit, but will not be adversely affected, by those transactions.

25.9.5.3 The existing facility will be restricted in future capacity sales up to levels consistent with the CRIS rights that were transferred to the new project counterparty.

25.9.5.4 The new project will only acquire the assigned capacity rights once the new project becomes operational at the levels necessary to utilize those rights.

25.9.6 Transfer of External CRIS Rights

A holder of External CRIS Rights may transfer some or all of the Contract or Non-Contract CRIS MW that it holds to another entity, provided that the following requirements are met:

25.9.6.1 The entity to receive the External CRIS Rights must, prior to the transfer, make either (i) a Contract Commitment of External Installed Capacity satisfying the requirements of Section 25.7.11.1.1 of this Attachment S, or (ii) a Non-Contract Commitment of External Installed Capacity satisfying the requirements of Section 25.7.11.1.2 of this Attachment S; and

25.9.6.2 The External Installed Capacity of the entity to receive the External CRIS Rights must use the same External Interface(s) used by the External Installed Capacity of the entity currently holding the External CRIS Rights; and

25.9.6.3 The transfer must be for the remaining duration of the Award Period or renewal of an Award Period currently effective for the External CRIS Rights to be transferred; and

25.9.6.4 If the holder of External CRIS Rights transfers some, but not all of its CRIS MW, the number of CRIS MW transferred must be such that, following the transfer, both the holder and the entity receiving External CRIS Rights satisfy the

applicable requirements of Section 25.7.11.1.1 and 25.7.11.1.2 of this Attachment
S; and

25.9.6.5 The transfer must take place on or before the earlier of:

25.9.6.5.1 Six months prior to the expiration date of the Contract or Non-Contract
Commitment of the entity currently holding the External CRIS Rights to be
transferred; or

25.9.6.5.2 One month prior to the Study Start Date of the ATRA that is prior to the
start of the last Summer Capability Period within the current Award Period or
renewal of an Award Period.

25.10 Miscellaneous Provisions

25.10.1 Non-financial Settlement of 2004

Notwithstanding any foregoing provisions to the contrary, the following provisions apply to the resumption of the cost allocation process after the approval by FERC of the Non-Financial Settlement.

25.10.1.1 Upon the study start date specified in the Non-Financial Settlement

(“Study Start Date”), the ISO shall resume the cost allocation process set forth herein.

25.10.1.2 Except as provided below, the initial cost allocation shall determine the

System Upgrade Facilities required for the reliable interconnection of all

Developer projects that have met the milestones identified in Section

~~IV.G.6.c.1~~ [25.6.2.3.1 of this Attachment S](#), ~~above~~, on or before the Study Start

Date. The ISO shall prepare an ATRA with respect to these Developer projects as

a single class (the “Catch Up Class Year”). The Catch Up Class Year shall not

include (1) Class Year 2001 Developer projects that have accepted their Project

Cost Allocation prior to the Study Start Date, or (2) Class Year 2002 Developer

Projects that have accepted their Project Cost Allocation pursuant to the terms of

the Non-Financial Settlement.

25.10.1.3 The ISO shall use the 2004 Load and Capacity Data Report for the Catch

Up Class Year cost allocation studies, unless the Study Start Date is later than

January 1, 2005 in which event the ISO shall use the 2005 Load and Capacity

Data Report. The Catch Up Class Year cost allocation studies shall identify

system needs for the five-year period beginning January 1, 2005. In the event the

Study Start Date is later than January 1, 2005 the Catch Up Class Year cost allocation studies shall identify system needs for the five-year period beginning January 1, 2006. The ISO shall present the results of the Catch Up Class Year cost allocation studies to the Operating Committee for approval as provided in Section ~~IV.F.8~~ 25.10.4 of ~~these rules~~ Attachment S.

25.10.1.4 The ISO shall represent the NYPA Poletti project in the ATBA and ATRA for the Catch Up Class Year as connected to the Astoria West Substation.

25.10.1.5 Once all Developers in the Catch Up Class Year have either (i) accepted their Project Cost Allocation, or (ii) dropped out of the class, the ISO shall resume annual cost allocations with respect to individual Class Years in accordance with the time frames set out in these rules.

25.10.1.6 All Developer projects in the Catch Up Class Year who do not accept their Project Cost Allocation shall be included in the ATRA in the next Class Year cost allocation process.

25.10.1.7 The ISO shall finalize the results of the Class Year 2002 cost allocation (including headroom issues) in accordance with the provisions of the Non-Financial Settlement.

25.10.2 Combined Study of Class Years 2009 and 2010

Notwithstanding any foregoing provisions to the contrary, the following special provisions apply to the Interconnection Facilities Studies for Class Year 2009 and Class Year 2010. These provisions provide that Class Year 2009 and Class Year 2010 will be performed on a combined basis. However, cost allocation for these two Class Years will be calculated separately, as described herein. All provisions of this Attachment S that are not inconsistent with

the special provisions of this Section 25.10.2 shall apply as they normally do to projects in Class Year 2009 and Class Year 2010.

25.10.2.1 A single ATBA under the Minimum Interconnection Standard for the Class Year 2009 and Class Year 2010 will be developed using the 2010 NYISO Load and Capacity Data Report and will be the same ATBA as would otherwise be developed for the 2010 Class Year ~~Interconnection Facilities~~ Study absent the combination of Class Year 2010 with Class Year 2009. This ATBA will be the starting point for a single deliverability baseline used under the Deliverability Interconnection Standard for Class Year 2009 and Class Year 2010. For purposes of this Section 25.10.2, “ATBA-Deliverability” refers to the deliverability baseline developed for Class Year 2009 and Class Year 2010 pursuant to this Section, and “ATRA-Deliverability” refers to the ATBA-Deliverability with the relevant Class Year projects added, as described below.

25.10.2.2 There will be two ATRAs and two ATRAs-Deliverability in the combined Class Year study: an ATRA and ATRA-Deliverability for Class Year 2009, as well as an ATRA and ATRA-Deliverability for Class Year 2010.

25.10.2.2.1 The ATRA and ATRA-Deliverability for Class Year 2009 will be the ATBA and ATBA-Deliverability, respectively, developed pursuant to Section 25.10.2.1 above, plus the projects that qualified for Class Year 2009 on or before March 1, 2009 and entered Class Year 2009.

25.10.2.2.2 The ATRA and ATRA-Deliverability for Class Year 2010 will be the ATRA and ATRA-Deliverability for Class Year 2009, plus the projects that qualified for Class Year 2010 on or before March 1, 2010 and entered Class Year

2010.

25.10.2.3 Cost Allocation for the Two Class Years

25.10.2.3.1 The cost allocation for Class Year 2009 System Upgrade Facilities and System Deliverability Upgrades will be calculated based on the incremental impact of the Class Year 2009 projects (i.e., the 2009 ATRA and ATRA-Deliverability) over the ATBA and ATBA-Deliverability, respectively, developed pursuant to Section 25.10.2.1 above.

25.10.2.3.2 The cost allocation for Class Year 2010 System Upgrade Facilities and System Deliverability Upgrades will be calculated based on the incremental impact of the Class Year 2010 projects (i.e., the 2010 ATRA and ATRA-Deliverability) over the Class Year 2009 ATRA and ATRA-Deliverability, respectively, as described fully below.

25.10.2.3.3 If Class Year 2010 projects use Headroom on System Upgrade Facilities or System Deliverability Upgrades identified for Class Year 2009 projects, the Class Year ~~Interconnection Facilities~~ Study for Class Year 2010 will identify the Headroom use payments that must be made by Class Year 2010 projects to Class Year 2009 projects.

25.10.2.3.4 In the event that a System Upgrade Facility or System Deliverability Upgrade identified for Class Year 2009 is replaced in the Class Year ~~Interconnection Facilities~~ Study for Class Year 2010 by a more capable System Upgrade Facility or System Deliverability Upgrade required for projects in Class Year 2010, the cost allocation for Class Year 2009 will be based on the System Upgrade Facility or System Deliverability Upgrade identified for Class Year

2009, and the cost allocation to Class Year 2010 will be based on the more capable replacement System Upgrade Facility or System Deliverability Upgrade.

25.10.2.4 Operating Committee Approval, Project Cost Allocation Decision Process and Class Year Settlement.

25.10.2.4.1 The initial Project Cost Allocation contained in the ATRA and Class Year Deliverability Study for Class Year 2009 will be based upon all projects in Class Year 2009. The initial Project Cost Allocation contained in the ATRA and Class Year Deliverability Study for Class Year 2010 will be based upon all projects in Class Year 2009 and Class Year 2010, except as described below in Section 25.10.2.4.4.3.

25.10.2.4.2 The ISO will undertake to complete the Class Year ~~Interconnection Facilities~~ Study Report for Class Year 2009 and the Class Year ~~Interconnection Facilities~~ Study Report for Class Year 2010 in parallel so that both study reports are ready to be presented at the same Operating Committee meeting. However, if at any time, the ISO determines that the Class Year ~~Interconnection Facilities~~ Study Report for Class Year 2009 is ready for presentation to the Operating Committee (following applicable working group and subcommittee review), the ISO will present that study report to the Operating Committee regardless of the status of the Class Year ~~Interconnection Facilities~~ Study Report for Class Year 2010. The Operating Committee will separately vote to approve the study report for Class Year 2009 and the study report for Class Year 2010, even if both study reports are presented at the same Operating Committee meeting.

25.10.2.4.3 If the Class Year ~~Interconnection Facilities~~ Study Reports for Class Year

2009 and Class Year 2010 are both approved at the same Operating Committee meeting, the Project Cost Allocation decision process will commence at that time and be conducted in parallel for the projects in both Class Years, as described in Section 25.10.2.4.5 below.

25.10.2.4.4 If the Class Year ~~Interconnection Facilities~~ Study Report for Class Year 2009 is approved at an Operating Committee meeting where either (1) the study report for Class Year 2010 is not presented for approval, or (2) the study report for Class Year 2010 is presented for approval but not approved, the following process will be followed:

25.10.2.4.4.1 The Project Cost Allocation decision process for Class Year 2009 will not commence until the following Operating Committee meeting (“Second Operating Committee Meeting”), held not more than forty-five (45) days after the Operating Committee meeting where the study report for Class Year 2009 was approved.

25.10.2.4.4.2 If the Class Year ~~Interconnection Facilities~~ Study Report for Class Year 2010 is approved at the Second Operating Committee Meeting, the Project Cost Allocation decision process for the projects in both Class Year 2009 and Class Year 2010 will commence at that time and be conducted in parallel for the projects in both Class Years as described in Section 25.10.2.4.5 below.

25.10.2.4.4.3 If the Class Year ~~Interconnection Facilities~~ Study Report for Class Year 2010 is not approved at the Second Operating Committee Meeting, the Project Cost Allocation decision process for the projects in Class Year 2009 will commence immediately upon the Second Operating Committee Meeting and will follow the existing Project Cost Allocation decision process described in Sections

25.8.1-25.8.4 of Attachment S, with initial Acceptance Notices and/or Non-Acceptance Notices due 30 days after the Second Operating Committee Meeting. When the Project Cost Allocation decision process for the projects in Class Year 2009 is completed, and the Class Year ~~Interconnection Facilities~~ Study Report for Class Year 2010 has been revised to reflect the final settlement of Class Year 2009 and is otherwise complete, the Class Year ~~Interconnection Facilities~~ Study Report for Class Year 2010 will be presented to the Operating Committee meeting for approval. Upon Operating Committee approval of the Class Year ~~Interconnection Facilities~~ Study Report for Class Year 2010, the Project Cost Allocation decision process for the projects in Class Year 2010 will begin.

25.10.2.4.4.4 Only in the event that the Class Year ~~Interconnection Facilities~~ Study Report for Class Year 2010 is not approved at the Second Operating Committee Meeting, as described immediately above in Section 25.10.2.4.4.3, a Developer or Interconnection Customer in Class Year 2009 providing a Non-Acceptance Notice for its System Upgrade Facility Project Cost Allocation may, by the due date for providing such notice, elect to enter Class Year 2010, and its project will be placed in Class Year 2010, provided that (a) the project is otherwise eligible under the Class Year re-entry rules, (b) it submits to the ISO an executed Interconnection Facilities Study Agreement, together with the required deposit and data, within ten (10) days of its receipt of the Interconnection Facilities Study Agreement, and (c) cures any deficiency in its submittal within five (5) Business Days after receiving notice from the ISO about such deficiency. A project in Class Year 2009 committing a Security Posting Default may not enter Class Year

2010. Other than as described in this Section 25.10.2.4.4.4, projects in Class Year 2009 may not enter Class Year 2010.

25.10.2.4.5 If both Class Year ~~Interconnection Facilities~~ Study Reports are approved by the Operating Committee, either at the same meeting or by the Second Operating Committee Meeting, as described above in Sections 25.10.2.4.2-25.10.2.4.4, the Developers and Interconnection Customers in both Class Year 2009 and Class Year 2010 will have thirty (30) days from the date of Operating Committee approval of the Interconnection Facilities Study Report for Class Year 2010 to provide an Acceptance Notice(s) or Non-Acceptance Notice(s) in accordance with Sections 25.8.1-25.8.4 of Attachment S. If any Developer or Interconnection Customer in either Class Year 2009 or Class Year 2010 provides a Non-Acceptance Notice or commits a Security Posting Default, the ISO will prepare a revised Class Year ~~Interconnection Facilities~~ Study Report by the following process:

25.10.2.4.5.1 If any Developer or Interconnection Customer in Class Year 2009 provides a Non-Acceptance Notice(s) and/or commits a Security Posting Default, the ISO will notify all Developers and Interconnection Customers in both Class Years as required by Section 25.8.2 of Attachment S, and will prepare (1) a revised ATRA and/or Class Year Deliverability Study for Class Year 2009 to reflect impact of the Non-Acceptance Notice(s) and/or Security Posting Default(s) from Class Year 2009 projects, and (2) a revised ATRA and/or Class Year Deliverability Study for Class Year 2010 to reflect the impact of the Non-Acceptance Notice(s) and/or Security Posting Default(s) from Class Year 2009

project and Class Year 2010 projects. The ISO will prepare and publish the required ATRAs and/or Class Year Deliverability Study(ies) for both Class Years within four (4) weeks of its receipt of the last Non-Acceptance Notice or its receipt of notice of the last Security Posting Default, whichever is later.

25.10.2.4.5.2 If any Developer or Interconnection Customer in Class Year 2010 provides a Non-Acceptance Notice(s) and/or commits a Security Posting Default, but no Developer or Interconnection Customer in Class Year 2009 does so, the ISO will notify all Developers and Interconnection Customers in both Class Years as required by Section 25.8.2 of Attachment S, and will prepare and publish a revised ATRA and/or Class Year Deliverability Study for Class Year 2010 within two (2) weeks of its receipt of the last Non-Acceptance Notice or its receipt of notice of the last Security Posting Default, whichever is later. The ISO will not revise the ATRA or the Class Year Deliverability Study for Class Year 2009 as a result of a Non-Acceptance Notice from or a Security Posting Default by a Developer or Interconnection Customer in Class Year 2010.

25.10.2.4.5.3 The process described in the foregoing Sections 25.10.2.4.5.1 and/or 25.10.2.4.5.2 will be repeated until either (1) none of the remaining eligible Class Year Developers or Interconnection Customers provides a Non-Acceptance Notice or commits a Security Posting Default, or (2) all Developers or Interconnection Customers have dropped out of their respective Class Years.

25.10.2.5 Except for projects in Class Year 2009 that elect to enter Class Year 2010 pursuant to the procedures described above in Section 25.10.2.4.4.4, Class Year 2009 and Class Year 2010 will be considered as a single Class Year for purposes

of calculating the number of Class Years a project may enter pursuant to Section 25.8.2.3 of Attachment S. A project that was in Class Year 2009 but elects to enter Class Year 2010 under section 25.10.2.4.4.4 that subsequently provides a Non-Acceptance Notice or commits a Security Posting Default related to its System Upgrade Facilities for Class Year 2010 will be deemed to have withdrawn its Interconnection Request in accordance with Section 30.3.6 of the Large Facility Interconnection Procedures in Attachment X ~~of~~to the OATT, or in accordance with Attachment Z ~~of~~to the OATT, as applicable.

25.10.3 ISO Data Requirements

Developers and Transmission Owners shall provide the ISO with all data necessary to make the determinations contemplated by these rules.

25.10.4 Rights Under the Federal Power Act

Nothing in these rules restricts the rights of any person under the OATT, or the right of any person to file a complaint with the Federal Energy Regulatory Commission under the relevant provisions of the Federal Power Act.

25.10.5 Transmission Service Customer Rights

Nothing in these rules precludes any transmission service customer from receiving transmission service charge credits to the extent the customer is entitled to such credits under FERC policy and precedent.

25.11 Appendices

APPENDIX 1 TO ATTACHMENT S—~~APPENDIX ONE~~— Allocation of Overage Cost

An Example of the Allocation of Overage Cost Among Class Year Developers, in

Accordance with Section 25.6.2 of Attachment S:

- There are five Developer projects in Class Year ~~200X~~20XX.
- The Annual Transmission Reliability Assessment (“ATRA”) determines that 10 System Upgrade Facilities (“SUFs”) are needed to reliably interconnect the Class Year ~~200X~~20XX projects, at a total cost of \$30 million.
- The Annual Transmission Baseline Assessment (“ATBA”) determines that 7 SUFs would be needed to meet reliability standards without the Class Year ~~200X~~20XX projects, at a total cost of \$20 million. (Note: The ATBA may have included some generic “projects” identical to or similar to some of the Class Year ~~200X~~20XX projects, but not necessarily. Also, some of the SUFs identified by the ATBA may be the same as those identified in the ATRA, but not necessarily.)

- (1) The total cost of ATRA SUFs allocated to the Transmission Owners (“TOs”) is equal to the total cost of the ATBA SUFs (\$20 million).
- (2) The total cost of ATRA SUFs allocated to the Developers, the Overage Cost, is the net of the total cost of the ATRA vs. ATBA SUFs (\$30 million - \$20 million = \$10 million).
- (3) The ratio of the Overage Cost to the total cost of ATRA SUFs, the Overage Cost Percentage, is used to compute the Developers’ cost allocations for each ATRA SUF. In this example, the Overage Cost Percentage, the ratio, = \$10 million/\$30 million = 1/3 (The Developers pay 1/3 the cost of each ATRA SUF). Assume the cost of one of the ATRA SUFs (SUF#1) is \$3 million. The Developers’ share of the cost of that SUF = 1/3 x \$3 million = \$1 million.
- (4) The Developers’ share of the cost of each ATRA SUF is allocated among all the Developers that have at least a *de minimus* impact causing the need for that SUF.

In this example, the ATRA determines that 3 of the 5 Class Year 200X projects have at least a *de minimus* impact causing the need for SUF#1.

- (5) The Developers' cost of an ATRA SUF is allocated to each Developer that has at least a *de minimus* impact in accordance with the Contribution Percentage, or ratio of that Developer's measured impact, its electrical contribution, to the sum of the measured impact of all the Developers that have at least a *de minimus* impact.

In this example, the measured impacts of the three projects are 200, 300, and 500 amps, respectively. Thus the pro rata shares of the projects' cost of SUF#1 are \$200K, \$300K, and \$500K, respectively.

APPENDIX 2 TO ATTACHMENT S – Expedited Deliverability Study Agreement

THIS AGREEMENT is made and entered into this _____ day of _____, 20____ by and among _____, a _____ organized and existing under the laws of the State of _____ (“Developer”), the New York Independent System Operator, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York (“NYISO”), and _____ a _____ organized and existing under the laws of the State of New York (“Connecting Transmission Owner”). Developer, NYISO and Connecting Transmission Owner each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Developer is proposing to develop or owns an existing or facility requesting Capacity Resource Interconnection Service (“CRIS”); and

WHEREAS, the NYISO has confirmed that the Developer has satisfied the eligibility requirements for entering an Expedited Deliverability Study; and

WHEREAS, Developer has elected to enter an Expedited Deliverability Study in order to obtain or increase CRIS pursuant to Attachments S, X and Z to the NYISO’s Open Access Transmission Tariff (“OATT”), as applicable.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Section 30.1 of Attachment X to the NYISO’s OATT or Section 25.1.2 of Attachment S to the NYISO’s OATT.
- 2.0 Developer elects to be evaluated for CRIS and NYISO shall cause to be performed an Expedited Deliverability Study consistent with Attachments S and X to the ISO OATT. The terms of the above-referenced OATT Attachments, as applicable, are hereby incorporated by reference herein.
- 3.0 The scope of the Expedited Deliverability Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.
- 4.0 The Expedited Deliverability Study report (i) shall identify whether the facility is fully deliverable at its requested level of CRIS; and (ii) if not fully deliverable, shall determine the facility’s deliverable MW.
- 5.0 The Developer shall provide a deposit of \$30,000 for the performance of the Expedited Deliverability Study. The time for completion of the Expedited Deliverability Study is specified in Attachment A.

NYISO shall invoice Developer on a monthly basis for the expenses incurred by

NYISO and the Connecting Transmission Owner on the Expedited Deliverability Study each month, as computed on a time and materials basis in accordance with the rates attached hereto. Developer shall pay invoiced amounts to NYISO within thirty (30) Calendar Days of receipt of invoice. NYISO shall continue to hold the amounts on deposit until settlement of the final invoice.

6.0 Miscellaneous.

- 6.1 Accuracy of Information. Except as Developer or Connecting Transmission Owner may otherwise specify in writing when they provide information to NYISO under this Agreement, Developer and Connecting Transmission Owner each represent and warrant that the information it provides to NYISO shall be accurate and complete as of the date the information is provided. Developer and Connecting Transmission Owner shall each promptly provide NYISO with any additional information needed to update information previously provided.
- 6.2 Disclaimer of Warranty. In preparing the Expedited Deliverability Study, the Party preparing such study and any subcontractor consultants employed by it shall have to rely on information provided by the other Parties, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, neither the Party preparing the Expedited Deliverability Study nor any subcontractor consultant employed by that Party makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy, content, or conclusions of the Expedited Deliverability Study. Developer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 6.3 Limitation of Liability. In no event shall any Party or its subcontractor consultants be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Agreement or the Expedited Deliverability Study or any reliance on the Expedited Deliverability Study by any Party or third parties, even if one or more of the Parties or its subcontractor consultants have been advised of the possibility of such damages. Nor shall any Party or its subcontractor consultants be liable for any delay in delivery or for the non-performance or delay in performance of its obligations under this Agreement.
- 6.4 Third-Party Beneficiaries. Without limitation of Sections 6.2 and 6.3 of this Agreement, Developer and Connecting Transmission Owner further agree that subcontractor consultants employed by NYISO to conduct or

review, or to assist in the conducting or reviewing, an Expedited Deliverability Study shall be deemed third party beneficiaries of these Sections 6.2 and 6.3.

- 6.5 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 6.5, shall continue in effect until the Expedited Deliverability Study is completed and approved by the NYISO Operating Committee. Developer or NYISO may terminate this Agreement upon the withdrawal of the Developer's project from the NYISO interconnection queue.
- 6.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any choice of laws provisions.
- 6.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 6.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 6.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing signed by the Parties hereto.
- 6.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 6.11 Independent Contractor. NYISO shall at all times be deemed to be an independent contractor and none of its employees or the employees of its subcontractors shall be considered to be employees of Developer or Connecting Transmission Owner as a result of this Agreement.
- 6.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.
- 6.13 Successors and Assigns. This Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed

by their duly authorized officers or agents on the day and year first above written.

New York Independent System Operator, Inc.

By: _____

Title: _____

Date: _____

[Insert name of Connecting Transmission Owner]

By: _____

Title: _____

Date: _____

[Insert name of Developer]

By: _____

Title: _____

Date: _____

Attachment A To Appendix 2 - Expedited Deliverability Study Agreement

**SCHEDULE FOR CONDUCTING THE
EXPEDITED DELIVERABILITY STUDY**

The NYISO and Connecting Transmission Owner shall use Reasonable Efforts to complete the study and issue an Expedited Deliverability Study report to the Developer within the four months after of receipt of an executed copy of this Expedited Deliverability Study Agreement:

- Study work (other than data provision and study review) that may be requested of the Transmission Owner by the NYISO is currently not specified, but will be specified in a Study Work Agreement to be developed between the NYISO and Transmission Owner.
- Pursuant to Article 5.0 of this Agreement, the rates for the study work are attached as Exhibit 1.

Attachment B To Appendix 2 - Expedited Deliverability Study Agreement

DATA FORM TO BE PROVIDED BY DEVELOPER

WITH THE EXPEDITED DELIVERABILITY STUDY AGREEMENT

1. Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.
2. Specify the MW level of Capacity Resource Interconnection Service (“CRIS”) requested; provided however, that CRIS requests are subject to the limits specified in Section 25.8.1 of Attachment S to the ISO OATT Evaluation election;

3. Proposed Schedule:

<u>Begin Construction</u>	<u>Date:</u>
<u>In-Service</u>	<u>Date:</u>
<u>Initial Synchronization</u>	<u>Date:</u>
<u>Generation Testing</u>	<u>Date:</u>
<u>Commercial Operation</u>	<u>Date:</u>

4. Additional Information Required as Part of this Data Form:

All facilities, including BTM:NG Resources, and Class Year Transmission Projects, must also complete Section A, below.

A. Additional Information:

Nameplate MW:

Nameplate MVA:

Auxiliary Load:

For temperature sensitive units, provide MW vs. temp curves and indicate maximum summer and winter net capability below:

- Maximum summer net (net MW = gross MW minus auxiliary loads total MW) which can be achieved at 90 degrees F:
- Maximum winter net (net MW = gross MW minus auxiliary loads total MW) which can be achieved at 10 degrees F :

1. One set of metering is required for each generation connection to the new ring bus or existing Connecting Transmission Owner station. Number of generation connections:

2. On the one-line indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

3. On the one-line indicate the location of auxiliary power. (Minimum load on CT/PT)
Amps

4. Will an alternate source of auxiliary power be available during CT/PT maintenance?
Yes No

5. Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes No

(If yes, indicate on one-line diagram).

6. What type of control system or PLC will be located at the Developer's facility?

7. What protocol does the control system or PLC use?

8. Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

9. Physical dimensions of the proposed interconnection station:

10. Bus length from generation to interconnection station:

11. Line length from interconnection station to Connecting Transmission Owner's transmission line.

12. Tower number observed in the field. (Painted on tower leg):

13. Number of third-party easements required for transmission lines, if known:

14. Describe any injection-limiting equipment if the facility is requesting ERIIS below its full output:

15. In addition to the above information, as applicable, for BTM:NG Resources, please also provide the following information:

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Existing load? Yes _____ No _____

If existing load with metered load data, provide coincident Summer peak load: _____

If new load or existing load without metered load data, provide estimated coincident Summer peak load: _____

Is the new or existing load in the Transmission Owner's service area?

Yes _____ No _____ Local provider: _____

30.1 Definitions

Whenever used in these Large Facility Interconnection Procedures with initial capitalization, the following terms shall have the meanings specified in this Section 30.1. Terms used in these procedures with initial capitalization that are not defined in this Section 30.1 shall have the meanings specified in Section 1 of the ISO OATT, Section 25.1.2 of Attachment S of the ISO OATT, or in Article 2 of the ISO Services Tariff.

Additional SDU Study shall mean a study that a Developer may elect to pursue if the Class Year Deliverability Study identifies the need for a new System Deliverability Upgrade (i.e., a System Deliverability Upgrade not previously identified and cost allocated in a Class Year Study and not substantially similar to a System Deliverability Upgrade previously identified and cost allocated in a Class Year Study) that requires additional study.

Affected System shall mean an electric system other than the transmission system owned, controlled or operated by the Connecting Transmission Owner that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affected Transmission Owner shall mean the New York public utility or authority (or its designated agent) other than the Connecting Transmission Owner that (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff, and (ii) owns, leases or otherwise possesses an interest in a portion of the New York State Transmission System where System Deliverability Upgrades, System Upgrade Facilities, or Network Upgrade Facilities are or will be installed pursuant to Attachment P, Attachment X, Attachment Z, or Attachment S to the ISO OATT.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority, including but not limited to Environmental Law.

Applicable Reliability Councils shall mean the NERC, the NPCC and the NYSRC.

Applicable Reliability Standards shall mean the requirements and guidelines of the Applicable Reliability Councils, and the Transmission District, to which the Developer's Large Facility is directly interconnected, as those requirements and guidelines are amended and modified and in effect from time to time; provided that no Party shall waive its right to challenge the applicability or validity of any requirement or guideline as applied to it in the context of the Large Facility Interconnection Procedures.

Attachment Facilities shall mean the Connecting Transmission Owner's Attachment Facilities and the Developer's Attachment Facilities. Collectively, Attachment Facilities include all facilities and equipment between the Large Generating Facility or Class Year Transmission Project and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Large Facility to the New York State Transmission System. Attachment Facilities are sole use facilities and shall not include Stand Alone System Upgrade Facilities, Distribution Upgrades, System Upgrade Facilities or System Deliverability Upgrades.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the ISO, Connecting Transmission Owner or Developer; described in Section 30.2.3 of the Large Facility Interconnection Procedures.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding federal holidays.

Byway shall mean all transmission facilities comprising the New York State Transmission System that are neither Highways nor Other Interfaces. All transmission facilities in Zone J and Zone K are Byways.

Calendar Day shall mean any day including Saturday, Sunday or a federal holiday.

Capacity Region shall mean one of four subsets of the Installed Capacity statewide markets comprised of: (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), except for Class Year ~~Interconnection Facilities~~ Studies conducted prior to Class Year 2012, for which "Capacity Region" shall be defined as set forth in Section 25.7.3 of Attachment S to the ISO OATT.

Capacity Resource Interconnection Service ("CRIS") shall mean the service provided by the ISO to Developers that satisfy the NYISO Deliverability Interconnection Standard or that are otherwise eligible to receive CRIS in accordance with Attachment S to the ISO OATT; such service being one of the eligibility requirements for participation as an ISO Installed Capacity Supplier.

Class Year shall mean the group of generation projects and Class Year Transmission Projects included in any particular Class Year ~~Interconnection Facilities~~ Study (Annual Transmission Reliability Assessment and/or Class Year Deliverability Study), in accordance with the criteria specified in Attachment S and in Attachment Z for including such projects.

Class Year CRIS Project: A Class Year Project with an executed Class Year Interconnection Facilities Study Agreement entering a Class Year Study for a CRIS evaluation, that thereby becomes one of the group of Class Year Projects included in the Class Year Deliverability Study.

A Class Year CRIS Project may be a “CRIS-only” project that is entering a Class Year Study only for a CRIS evaluation, or it may be a project seeking both ERIS and CRIS.

Class Year Deliverability Study shall mean an assessment, conducted by the ISO staff in cooperation with Market Participants, to determine whether System Deliverability Upgrades are required for Class Year CRIS Projects under the NYISO Deliverability Interconnection Standard.

Class Year Interconnection Facilities Study (“Class Year Study”) shall mean a study conducted by the ISO or a third party consultant for the Developer to determine a list of facilities (including Connecting Transmission Owner’s Attachment Facilities, Distribution Upgrades, System Upgrade Facilities and System Deliverability Upgrades as identified in the Interconnection System Reliability Impact Study), the cost of those facilities, and the time required to interconnect the Large Generating Facility or Class Year Transmission Project with the New York State Transmission System or with the Distribution System. The scope of the study is defined in Section 30.8 of the Standard Large Facility Interconnection Procedures in this Attachment X.

Class Year Interconnection Facilities Study Agreement (“Class Year Study Agreement”) shall mean the form of agreement contained in Appendix 2 of the Large Facility Interconnection Procedures in this Attachment X for conducting the Class Year ~~Interconnection Facilities~~ Study.

Class Year Project shall mean an Eligible Class Year Project with an executed Class Year ~~Interconnection Facilities~~ Study Agreement that thereby becomes one of the group of generation projects and Class Year Transmission Projects included in any particular Class Year ~~Interconnection Facilities~~ Study (Annual Transmission Reliability Assessment and/or Class Year Deliverability Study), in accordance with the criteria specified in this Attachment S and in Attachment Z for including such projects.

Class Year Start Date shall mean the deadline for Eligible Class Year Projects to enter a Class Year ~~Interconnection Facilities~~ Study, determined in accordance with Section 25.5.9 of Attachment S.

Class Year Transmission Project shall mean a Developer’s proposed new transmission facility that will interconnect to the New York State Transmission System or a proposed upgrade—an improvement to, addition to, or replacement of a part of an existing transmission facility—to the New York State Transmission System, for which (1) the Developer is eligible to request and does request Capacity Resource Interconnection Service, subject to the eligibility requirements set forth in the ISO Procedures; or (2) the Developer requests only Energy Resource Interconnection Service and the transmission facility for which it requests Energy Resource Interconnection Service is a transmission facility over which power flow can be directly controlled by power flow control devices directly connected to the Class Year Transmission Project without having to re-dispatch generation. Class Year Transmission Projects shall not include Attachment Facilities, Network Upgrade Facilities, System Upgrade Facilities or System Deliverability Upgrades.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Reliability Impact Study.

Commercial Operation shall mean the status of a Large Facility that has commenced generating or transmitting electricity for sale, excluding electricity generated or transmitted during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Large Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any information that is defined as confidential by Section 30.13.1 of the Large Facility Interconnection Procedures.

Connecting Transmission Owner shall mean the New York public utility or authority (or its designated agent) that (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff, (ii) owns, leases or otherwise possesses an interest in the portion of the New York State Transmission System or Distribution System at the Point of Interconnection, and (iii) is a Party to the Standard Large Generator Interconnection Agreement.

Connecting Transmission Owner's Attachment Facilities shall mean all facilities and equipment owned, controlled or operated by the Connecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Connecting Transmission Owner's Attachment Facilities are sole use facilities and shall not include Stand Alone System Upgrade Facilities or System Upgrade Facilities.

Default shall mean the failure of a Party in Breach of the Standard Large Generator Interconnection Agreement to cure such Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Developer's Attachment Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Large Generating Facility or Class Year Transmission Project and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Large Generating Facility or Class Year Transmission Project to the New York State Transmission System. Developer's Attachment Facilities are sole use facilities.

Dispute Resolution shall mean the procedure described in Section 30.13.5 of the Large Facility Interconnection Procedures for resolution of a dispute between the Parties.

Distribution System shall mean the Transmission Owner's facilities and equipment used to distribute electricity that are subject to FERC jurisdiction, and are subject to the ISO's Large Facility Interconnection Procedures in this Attachment X or Small Generator Interconnection

Procedures in Attachment Z to the ISO OATT under FERC Order Nos. 2003 and/or 2006. The term Distribution System shall not include LIPA's distribution facilities.

Distribution Upgrades shall mean the modifications or additions to the existing Distribution System at or beyond the Point of Interconnection that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Minimum Interconnection Standard.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties, subject to acceptance by the Commission, or if filed unexecuted, upon the date specified by the Commission.

Eligible Class Year Project: Any Developer or Interconnection Customer that (1) satisfies the criteria for inclusion in the next Class Year ~~Interconnection Facilities~~ Study, as those criteria are specified in Sections 25.5.9 and 25.6.2.3.1 of Attachment S to the OATT, Section 32.1.1.7 of Attachment Z to the OATT and/or Section 32.3.5.3.2 of Attachment Z to the OATT; or (2) that seeks evaluation in a Class Year Study to obtain or increase CRIS~~s~~ as permitted by Attachment S to the ISO OATT and satisfies the criteria for inclusion in the next Class Year ~~Interconnection Facilities~~ Study specified in Section 25.5.9 of Attachment S to the OATT.

Energy Resource Interconnection Service ("ERIS") shall mean the service provided by the ISO to interconnect the Developer's Large Generating Facility or Class Year Transmission Project to the New York State Transmission System or to the Distribution System, in accordance with the NYISO Minimum Interconnection Standard, to enable the New York State Transmission System to receive Energy and Ancillary Services from the Large Generating Facility or Class Year Transmission Project, pursuant to the terms of the ISO OATT.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes Connecting Transmission Owner to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

External CRIS Rights: A determination of deliverability within the Rest of State Capacity Region (*i.e.*, Load Zones A-F), awarded by the ISO for a term of five (5) years or longer, to a specified number of Megawatts of External Installed Capacity that satisfy the requirements set forth in Section 25.7.11 of Attachment S to the ISO OATT, and that can be certified in a Bilateral Transaction used for the NYCA and not a Locality, or sold into the NYCA for an Installed Capacity auction and not in an Installed Capacity auction for a Locality.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Developer's device for the production of electricity identified in the Interconnection Request, but shall not include the Developer's Attachment Facilities or Distribution Upgrades.

Generating Facility Capacity shall mean the net seasonal capacity of the Generating Facility and the aggregate net seasonal capacity of the Generating Facility where it includes multiple energy production devices.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over any of the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Developer, the ISO, Affected Transmission Owner, Connecting Transmission Owner, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Highway shall mean 115 kV and higher transmission facilities that comprise the following NYCA interfaces: Dysinger East, West Central, Volney East, Moses South, Central East/Total East, and UPNY-ConEd, and their immediately connected, in series, Bulk Power System facilities in New York State. Each interface shall be evaluated to determine additional "in series" facilities, defined as any transmission facility higher than 115 kV that (a) is located in an upstream or downstream zone adjacent to the interface and (b) has a power transfer distribution factor (DFAX) equal to or greater than five percent when the aggregate of generation in zones or systems adjacent to the upstream zone or zones which define the interface is shifted to the aggregate of generation in zones or systems adjacent to the downstream zone or zones which define the interface. In determining "in series" facilities for Dysinger East and West Central interfaces, the 115 kV and 230 kV tie lines between NYCA and PJM located in LBMP Zones A and B shall not participate in the transfer. Highway transmission facilities are listed in ISO Procedures.

Initial Synchronization Date shall mean the date upon which the Large Generating Facility or Class Year Transmission Project is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Developer reasonably expects it will be ready to begin use of the Connecting Transmission Owner's Attachment Facilities to obtain back feed power.

Interconnection Request shall mean Developer's request, in the form of Appendix 1 to the Standard Large Facility Interconnection Procedures, in accordance with the Tariff, to interconnect a new Large Generating Facility or Class Year Transmission Project to the New York State Transmission System or to the Distribution System, or to materially increase the capacity of, or make a material modification to the operating characteristics of, an existing Large Generating Facility or Class Year Transmission Project that is interconnected with the New York State Transmission System or with the Distribution System.

Interconnection Study shall mean any of the following studies: the Optional Interconnection Feasibility Study, the Interconnection System Reliability Impact Study, and the Class Year ~~Interconnection Facilities~~ Study described in the Standard Large Facility Interconnection Procedures.

Interconnection System Reliability Impact Study ("SRIS") shall mean an engineering study that evaluates the impact of the proposed Large Generation Facility or Class Year Transmission Project on the safety and reliability of the New York State Transmission System and, if applicable, an Affected System, to determine what Attachment Facilities, Distribution Upgrades and System Upgrade Facilities are needed for the proposed Large Generation Facility or Class Year Transmission Project of the Developer to connect reliably to the New York State Transmission System or to the Distribution System in a manner that meets the NYISO Minimum Interconnection Standard. The scope of the SRIS is defined in Section 30.7.3 of the Large Facility Interconnection Procedures in this Attachment X.

IRS shall mean the Internal Revenue Service.

Large Facility shall mean either a Large Generating Facility or a Class Year Transmission Project.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Local System Upgrade Facilities shall mean the System Upgrade Facilities necessary to physically interconnect a proposed project to the Connecting Transmission Owner's transmission system, consistent with applicable interconnection and system protection design standards. Local System Upgrade Facilities include any electrical facilities required to make the physical connection (*e.g.*, a new ring bus for a line connection or facilities required to create a new bay for a substation connection). Local System Upgrade Facilities also include any system protection or communication facilities that may be required for protection of the Connecting Transmission Owner's transmission facility (line or substation) involved in the interconnection. Local System Upgrade Facilities do not include System Upgrade Facilities required to mitigate any adverse reliability impact(s) of the project(s) identified through analysis such as power flow, short circuit, or stability (*e.g.*, replacement of a circuit breaker at a nearby substation that becomes overdutied as a result of the project(s)).

~~**Loss** shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Indemnified Party's~~

~~performance or non-performance of its obligations under the Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.~~

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Merchant Transmission Facility shall mean a Developer's proposed new transmission facility that will interconnect to the New York State Transmission System or a proposed upgrade—an improvement to, addition to, or replacement of a part of an existing transmission facility—to the New York State Transmission System, for which the costs of construction will be recovered through negotiated rates instead of cost-based rates and not subject to the competitive evaluation and selection process for purposes of cost allocation under Attachment Y to the ISO OATT. Merchant Transmission Facilities shall not include Attachment Facilities, Network Upgrade Facilities, System Upgrade Facilities or System Deliverability Upgrades.

Metering Equipment shall mean all metering equipment installed or to be installed at the Large Generating or Class Year Transmission Project pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Facility Interconnection Procedures, or the Standard Large Generator Interconnection Agreement or its performance.

NPCC shall mean the Northeast Power Coordinating Council or its successor organization.

NYISO shall mean the New York Independent System Operator, Inc.

NYISO Deliverability Interconnection Standard – The standard that must be met, unless otherwise provided for by Attachment S to the ISO OATT, by (i) any generation facility larger than 2MW in order for that facility to obtain CRIS; (ii) any Class Year Transmission Project; (iii) any entity requesting External CRIS Rights, and (iv) any entity requesting a CRIS transfer pursuant to Section 25.9.5 of Attachment S to the ISO OATT. To meet the NYISO Deliverability Interconnection Standard, the Interconnection Customer must, in accordance with the rules in Attachment S to the ISO OATT, fund or commit to fund any System Deliverability Upgrades identified for its project in the Class Year Deliverability Study.

NYISO Minimum Interconnection Standard – The reliability standard that must be met by any generation facility or Class Year Transmission Project that is subject to ISO's Large Facility Interconnection Procedures in [this](#) Attachment X to the ISO OATT or the ISO's Small Generator Interconnection Procedures in ~~this~~ Attachment Z, that is proposing to connect to the New York State Transmission System or Distribution System, to obtain ERIS. The Standard is designed to ensure reliable access by the proposed project to the New York State Transmission System or to the Distribution System. The Standard does not impose any deliverability test or deliverability requirement on the proposed interconnection.

Open Class Year shall mean the Class Year open for new members pursuant to the Class Start Date deadline specified in Section 25.5.9 of Attachment S.

Optional Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Large Generating Facility or Class Year Transmission Project to the New York State Transmission System or to the Distribution System, the scope of which is described in Section 30.6 of the Standard Large Facility Interconnection Procedures.

Optional Interconnection System Reliability Impact Study shall mean a sensitivity analysis based on assumptions specified by the Developer in the Optional Interconnection System Reliability Impact Study scope.

Other Interfaces shall mean the following interfaces into Capacity Regions: Lower Hudson Valley [*i.e.*, Rest of State (Load Zones A-F) to Lower Hudson Valley (Load Zones G, H and I)]; New York City [*i.e.*, Lower Hudson Valley (Load Zones G, H and I) to New York City (Load Zone J)]; and Long Island [*i.e.*, Lower Hudson Valley (Load Zones G, H and I) to Long Island (Load Zone K)], and the following Interfaces between the NYCA and adjacent Control Areas: PJM to NYISO, ISO-NE to NYISO, Hydro-Quebec to NYISO, and Norwalk Harbor (Connecticut) to Northport (Long Island) Cable.

Party or Parties shall mean NYISO, Connecting Transmission Owner, or Developer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Developer's Attachment Facilities connect to the Connecting Transmission Owner's Attachment Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Attachment Facilities connect to the New York State Transmission System or to the Distribution System.

Queue Position shall mean the order of a valid Interconnection Request, Study Request, or Transmission Interconnection Application relative to all other such pending requests, that is established based upon the date and time of receipt of the valid request by the ISO, unless specifically provided otherwise in an applicable transition rule set forth in Attachment P, Attachment X or Attachment Z to the ISO OATT.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Facility Interconnection Procedures or Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Developer, the ISO and Connecting Transmission Owner conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Services Tariff shall mean the NYISO Market Administration and Control Area Tariff, as filed with the Commission, and as amended or supplemented from time to time, or any successor tariff thereto.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Large Generating Facility or Class Year Transmission Project; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Developer and the entity having the right to sell, lease or grant Developer the right to possess or occupy a site for such purpose.

Stand Alone System Upgrade Facilities shall mean System Upgrade Facilities that a Developer may construct without affecting day-to-day operations of the New York State Transmission System during their construction. The ISO, the Connecting Transmission Owner and the Developer must agree as to what constitutes Stand Alone System Upgrade Facilities and identify them in Appendix A to the Standard Large Generator Interconnection Agreement.

Standard Large Facility Interconnection Procedures (“Large Facility Interconnection Procedures” or “LFIP”) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility or Class Year Transmission Project that are included in [this](#) Attachment X of the ISO OATT.

Standard Large Generator Interconnection Agreement (“LGIA”) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility, that is included in [this](#) Attachment X of the ISO OATT.

System Deliverability Upgrades shall mean the least costly configuration of commercially available components of electrical equipment that can be used, consistent with Good Utility Practice and Applicable Reliability Requirements, to make the modifications or additions to Byways and Highways and Other Interfaces on the existing New York State Transmission System that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Deliverability Interconnection Standard for Capacity Resource Interconnection Service.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to (1) protect the New York State Transmission System from faults or other electrical disturbances occurring at the Large Generating Facility or Class Year Transmission Project and (2) protect the Large Generating Facility or Class Year Transmission Project from faults or other electrical system disturbances occurring on the New York State Transmission System or on other delivery systems or other generating systems to which the New York State Transmission System is directly connected.

System Upgrade Facilities shall mean the least costly configuration of commercially available components of electrical equipment that can be used, consistent with good utility practice and Applicable Reliability Requirements, to make the modifications to the existing transmission system that are required to maintain system reliability due to: (i) changes in the system including such changes as load growth and changes in load pattern, to be addressed in the form of generic

generation or transmission projects; and (ii) proposed interconnections. In the case of proposed interconnection projects, System Upgrade Facilities are the modifications or additions to the existing New York State Transmission System that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Minimum Interconnection Standard.

Tariff shall mean the NYISO Open Access Transmission Tariff (“OATT”), as filed with the Commission, and as amended or supplemented from time to time, or any successor tariff.

Trial Operation shall mean the period during which Developer is engaged in on-site test operations and commissioning of the Large Generating Facility or Class Year Transmission Project prior to Commercial Operation.

30.2 Scope and Application

30.2.1 Application of Standard Large Facility Interconnection Procedures

Sections 30.2 through 30.13 apply to processing an Interconnection Request pertaining to (i) a Large Generating Facility or Class Year Transmission Project proposing to interconnect to the New York State Transmission System or to the Distribution System or (ii) an existing Large Generating Facility or Class Year Transmission Project proposing a material increase or modification requiring a new Interconnection Request pursuant to these Procedures.

30.2.2 Comparability

The ISO shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in the Large Facility Interconnection Procedures. As described herein, the ISO will process and analyze all Interconnection Requests with independence and impartiality, in cooperation with and with input from the Developers, Connecting Transmission Owners and other Market Participants. The ISO will perform, oversee or review the Interconnection Studies to ensure compliance with the Large Facility Interconnection Procedures. The ISO will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Developers, whether or not the Large Generating Facilities or Class Year Transmission Projects are owned by a Connecting Transmission Owner, its subsidiaries or Affiliates, or others.

30.2.3 Base Case Data

The ISO or Connecting Transmission Owner, depending upon which of those Parties possesses the data requested, shall provide base power flow, short circuit and stability databases, including all underlying assumptions and contingency lists, to the Developer upon request. All Parties shall treat Confidential Information in accordance with Section 30.13.1 of these Large

Facility Interconnection Procedures. The ISO and Connecting Transmission Owner are permitted to require that the Developer sign a non-disclosure agreement before the release of Confidential Information or Critical Energy Infrastructure Information in the Base Case Data. The power flow, short circuit and stability data bases, hereinafter referred to as Base Cases, provided shall be those that the ISO is using in the Annual Transmission Baseline Assessment then in progress, or if such data bases are not available, the data bases from the last completed Annual Transmission Reliability Assessment conducted pursuant to Attachment S of the ISO OATT prior to the request. In the case of a request from a Developer considering [or requesting Capacity Resource Interconnection Service CRIS](#), the power flow data bases provided shall include the Annual Transmission Reliability Assessment case from the most recently completed Class Year Deliverability Study.

30.2.4 No Applicability to Transmission Service or Other Services

Nothing in these Large Facility Interconnection Procedures shall constitute a request for Transmission Service or confer upon a Developer any right to receive Transmission Service. Nothing in these Large Facility Interconnection Procedures shall constitute a request for, nor agreement to provide, any energy, Ancillary Services or Installed Capacity under the ISO Services Tariff, except to the extent that a Developer's election of Capacity Resource Interconnection Service and satisfaction of the NYISO Deliverability Interconnection Standard are prerequisites for the Large Generating Facility to become a qualified Installed Capacity Supplier and for the Class Year Transmission Project to receive Unforced Capacity Deliverability Rights.

30.2.5 Inclusion of Black Start Capability at Large Generating Facility

A Developer proposing, pursuant to this Attachment X, to interconnect a new Large

Generating Facility to Zone J or to modify – *i.e.*, materially increase (as defined in Section 30.3.1 of this Attachment X) the capacity of or make a material modification to the operating characteristics of – an existing Large Generating Facility already interconnected to Zone J that will commence Commercial Operation after November 1, 2012, shall include black start capability at the Large Generating Facility; provided, however, the Large Generating Facility shall not be required to include black start capability if:

- (A) the ISO determines that: (i) the inclusion of black start capability at the Large Generating Facility would not provide a material benefit to system restoration in Zone J, or (ii) the Developer has shown good cause for not including black start capability at the Large Generating Facility, or
- (B) as of November 1, 2012, the Large Generating Facility has: (i) received one or more draft or final air permits from the appropriate regulatory agency, or (ii) has completed a draft environmental impact statement and submitted it to the appropriate governmental agency for issuance for public comment.

The inclusion of black start capability at a given Large Generating Facility would provide a material benefit to system restoration in Zone J if, among other things, such action would improve the speed, adequacy, or flexibility of Consolidated Edison Company of New York, Inc.'s ("Consolidated Edison's") black start and system restoration plan for restoring electric service in Zone J in a safe, orderly, and prompt manner following a major system disturbance that would require Consolidated Edison to undertake system restoration efforts.

To facilitate the ISO's determination regarding material benefit, Consolidated Edison shall at its expense perform contemporaneously with the Interconnection System Reliability Impact Study a separate study to examine whether a new or modified Large Generating Facility

would provide a material benefit to system restoration as a black start resource. If requested by the Developer, Consolidated Edison shall perform this separate study contemporaneously with the earlier Optional Interconnection Feasibility Study. If changes to the project made subsequent to this study are deemed by the ISO to be significant, Consolidated Edison shall perform a new study at the Developer's expense. The study will indicate the black start performance measures under Consolidated Edison's black start and system restoration plan and the impact on relevant factors of the Large Generating Facility having black start capability. Consolidated Edison will provide its study to the ISO and to the Developer(s) of the Generating Facility(ies) that were considered in the study, subject to appropriate confidentiality protections. Consolidated Edison may provide the study to other parties that have a direct interest in this matter as well, subject to appropriate confidentiality protections.

If a Developer asserts that good cause exists for not including black start capability at a new or modified Large Generating Facility, it shall provide documentation demonstrating the technical, financial, spatial, and/or other reasons that justify its assertion. Factors that may constitute reasonable justification include, but are not limited to: (i) physical site limitations would unreasonably impair the planned use of the site or prevent the inclusion of black start equipment in addition to the equipment required to properly operate and maintain the proposed Large Generating Facility; (ii) the cost of adding black start capability would increase the overall cost of the project to a level that would impair the ability of the Developer to secure financing at commercially competitive terms; or (iii) the inclusion of black start capability would prevent the Developer from obtaining the permits and approvals needed for the project, or result in the imposition of significantly more burdensome permit conditions than would be imposed absent the installation of black start capability. The Developer will provide a study to the ISO and

Consolidated Edison that supports its claim under this section, subject to appropriate confidentiality protections. The Developer may provide the study to other parties that have a direct interest in this matter as well, subject to appropriate confidentiality protections.

Any decision by the ISO regarding a new or modified Large Generating Facility's installation of black start capability pursuant to these provisions shall not be considered precedential or binding on the New York State Board on Electric Generation Siting and the Environment. In the event the New York State Board on Electric Generation Siting and the Environment makes a determination regarding the installation of black start equipment in the course of its siting process under Public Service Law Article 10, the ISO will accept that determination and not make a separate determination hereunder.

30.3 Interconnection Requests

30.3.1 General

A Developer proposing to interconnect a new Large Facility to the New York State Transmission System or to the Distribution System, or proposing to materially increase the capacity of, or make a material modification to the operating characteristics of, an existing Large Facility that is interconnected to the New York State Transmission System or to the Distribution System shall submit to the ISO an Interconnection Request in the form of Appendix 1 to these Large Facility Interconnection Procedures. The requirement to submit an Interconnection Request applies to all Large Facilities seeking evaluation under this Attachment X to the ISO OATT, including Transmission Projects initially evaluated pursuant to Attachment P to the ISO OATT that have submitted a Transmission Interconnection Application and application fee in accordance with Attachment P to the ISO OATT and that elect to transition to the Large Facility Interconnection Procedures in order to request CRIS. An increase in the capacity of an existing Large Facility is a material increase for purposes of this Section 30.3.1 unless the increase (a) is not associated with any equipment changes or is associated with equipment changes determined by the ISO to be non-material; and (b) is an increase in the Large Facility's baseline ERIS level that is equal to or less than ten (10) megawatts or five (5) percent, whichever is greater. For purposes of this Section 30.3.1, the baseline ERIS level of an existing Large Facility is (a) the greater of (i) the existing Large Facility's CRIS level determined as a facility pre-dating Class Year 2007 pursuant to Section 25.9.3.1 of Attachment S of the ISO OATT, if applicable; or (ii) the final maximum summer megawatt electrical output studied for ERIS in the ISO's interconnection process for the existing Large Facility; or (b) if neither (a)(i) nor (a)(ii) are applicable, the baseline ERIS level is the value reflected in the Large Facility's interconnection

agreement or other applicable documentation governing the Large Facility's interconnection; however, if the Large Facility has requested a modification to its facility to decrease its size, and such modification has been deemed nonmaterial by the ISO, the decreased MW level will be a cap on its baseline ERIS. If the existing Large Facility is a BTM:NG Resource, the increase in existing capacity will be measured based on the increase from the existing gross capability of the generator to the proposed gross capability of the generator, as modified. Notwithstanding the above, if the existing Large Facility is a temperature sensitive unit, the maximum capacity of which varies based on ambient temperature, the increase in existing capacity will be measured based on the largest increase from the existing capacity to the proposed capacity at the same temperature, *i.e.*, at the same temperature along the maximum megawatt electrical output versus temperature curves.

The Interconnection Request in the form of Appendix 1 to these Large Facility Interconnection Procedures must be accompanied by a non-refundable application fee of \$10,000, unless the Large Facility is a Merchant Transmission Facility that was initially evaluated pursuant to Attachment P to the OATT, submitted a Transmission Interconnection Application and application fee in accordance with Attachment P to the OATT, and elects to transition to the Large Facility Interconnection Procedures in order to request CRIS. The application fee shall be divided equally between the ISO and Connecting Transmission Owner(s). The Developer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. The Developer must submit an application fee and study deposit with each Interconnection Request even when more than one request is submitted for a single site. A proposed Large Generating Facility requesting to evaluate one site at two different voltage levels shall require two Interconnection Requests unless

the Large Generating Facility, as it proposes to interconnect, includes either (1) a 3-winding transformer with the potential to connect to two different voltage level lines simultaneously; or (2) a combined cycle with a generator turbine and steam turbine connected at two different voltage levels.

At Developer's option, the ISO, Connecting Transmission Owner and Developer will provide input regarding alternative Point(s) of Interconnection and configurations at the Scoping Meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. During the Optional Interconnection Feasibility Study, System Reliability Impact Study, or Class Year ~~Interconnection Facilities~~ Study, as applicable, the Connecting Transmission Owner and Affected Transmission Owner(s), identified pursuant to Section 30.3.5 of this Attachment X, shall provide input regarding proposed Point(s) of Interconnection and configurations. Developer will select the definitive Point of Interconnection to be studied no later than the commencement of the Interconnection System Reliability Impact Study.

A Developer seeking to return a Large Generating Facility to Commercial Operations after it is Retired must submit a new Interconnection Request as a new facility. A Developer returning a Large Generating Facility to service prior to the expiration or termination of its Mothball Outage or ICAP Ineligible Forced Outage need not submit a new Interconnection Request unless the Large Generating Facility is making modifications or is increasing its capacity such as would otherwise trigger a new Interconnection Request for an existing Large Generating Facility.

30.3.2 Types of Interconnection Service

30.3.2.1 Two Types of Service

The ISO offers Energy Resource Interconnection Service under the Large Facility Interconnection Procedures for interconnection in compliance with the NYISO Minimum Interconnection Standard. The ISO also offers ~~Capacity Resource Interconnection Service~~[CRIS](#) under the Large Facility Interconnection Procedures for interconnection in compliance with the NYISO Deliverability Interconnection Standard.

30.3.2.2 Service Elections, Generally

All Large Facilities must interconnect in compliance with the NYISO Minimum Interconnection Standard. In addition, Large Facilities must also comply with the NYISO Deliverability Interconnection Standard before Large Generating Facilities can become qualified Installed Capacity Suppliers and before Class Year Transmission Projects can receive Unforced Capacity Deliverability Rights. A Developer initially states its election to be evaluated in its Interconnection Studies for ERIS alone, or for both ERIS and CRIS, as a part of its Interconnection Request. An existing Large Generating Facility requesting only CRIS must request CRIS in an Open Class Year Study [or an Expedited Deliverability Study](#) unless it is requesting CRIS pursuant to Section 30.3.2.6 of this Attachment X. The ISO evaluates an Interconnection Request for compliance with the Minimum Interconnection Standard throughout the Interconnection Study process. The ISO evaluates an Interconnection Request for compliance with the Deliverability Interconnection Standard formally during the Class Year Deliverability Study. At other times during the Interconnection Study process, during the Optional Interconnection Feasibility Study and the Interconnection System Reliability Study, the ISO will assist any Developer ~~considering Capacity Resource Interconnection Service~~[requesting](#)

[CRIS](#) to assess potential system deliverability issues by providing the Developer, upon its request, with the Annual Transmission Reliability Assessment case from the most recently completed Class Year Deliverability Study. The Developer may modify its interconnection service evaluation election when it executes the Class Year ~~Interconnection Facilities~~ Study Agreement for its project in accordance with Section 30.8.1 of these Large Facility Interconnection Procedures. At that time, the Developer may reduce the number of MW it initially requested to be evaluated for CRIS, and such a reduction shall not constitute a Material Modification. Any increase in the MW initially requested to be evaluated for CRIS shall constitute a Material Modification.

30.3.2.3 ERIS Elections

A Large Facility that elects ERIS, and not CRIS, will not be able to become an eligible Installed Capacity Supplier or to receive Unforced Capacity Deliverability Rights. Such a Large Facility will be eligible to participate only in the energy and applicable ancillary service markets. When a Developer elects ERIS its project will be evaluated in the Interconnection Studies at full output. When a Developer elects ERIS and interconnects under ERIS, the Developer may at a later date ask the ISO to reevaluate the Large Facility for CRIS by including the Large Facility in the Open Class Year to identify the System Deliverability Upgrades, if any, needed for the Large Facility to be declared deliverable.

30.3.2.4 CRIS Elections

The amount of CRIS requested by a Developer shall be stated in MW of Installed Capacity (“ICAP”), and cannot exceed the nameplate capacity of the Developer’s Large Facility; provided however, if the Large Facility is a BTM:NG Resource, its requested CRIS cannot exceed its Net ICAP. When a Developer elects CRIS, the ISO will evaluate the deliverability of

the Large Facility by applying the test methodology described in Section 25.7 of Attachment S to the ISO OATT. The ISO will apply this test methodology to identify the System Deliverability Upgrades, if any, needed to make the Large Facility deliverable and will also identify the MW of Installed Capacity, if any, that are deliverable from the Large Facility with no System Deliverability Upgrades. A Large Facility electing CRIS will be able to become a qualified Installed Capacity Supplier or receive Unforced Capacity Deliverability Rights to the extent of its deliverable capacity, once it has funded or committed to fund any required System Deliverability Upgrades in accordance with the relevant provisions of Attachment S to the ISO OATT. A Developer qualifying for CRIS will have two CRIS values: one for the summer capability period and one for the winter capability period. The CRIS value, in MW of Installed Capacity, for the summer capability period will be set using the deliverability test methodology and procedures described in Section 25.7 of Attachment S to the ISO OATT. The CRIS value for the winter capability period, also in MW of Installed Capacity, will be set in accordance with Section 25.7.6 of Attachment S to the ISO OATT.

30.3.2.5 Partial CRIS Service

A Developer may elect partial CRIS, measured in whole MW of Installed Capacity, for its Large Facility.

30.3.2.6 Increases In Established CRIS Values

Any facility with an established CRIS value may at a later date, without submitting a new Interconnection Request, ask the ISO to reevaluate the Large Facility for a higher level of MW of Installed Capacity, not to exceed the nameplate rating of the Large Facility, by including the Large Facility in the Open Class Year to identify the System Deliverability Upgrades, if any, needed for the Large Facility to be declared deliverable at the higher level of MW. Any facility

with an established CRIS value may, without such evaluation and without submitting a new Interconnection Request, increase that CRIS value by a total of no more than 2 MW of Installed Capacity during the operating life of the facility. For purposes of this Section 30.3.2.6, an “established CRIS value” for facilities subject to a CRIS set and reset period pursuant to Section 25.9.3.3, Section 25.9.3.1.4.1, Section 25.9.3.1.4.2, or Section 25.9.3.5 of Attachment S to the ISO OATT is the final CRIS value established after the termination of the CRIS set and reset period.

30.3.2.7 The Interconnection Studies

The Interconnection Studies conducted under the Large Facility Interconnection Procedures consist of short circuit/fault duty, steady state (thermal and voltage) and stability analyses designed to identify the Attachment Facilities, Distribution Upgrades and System Upgrade Facilities required for the reliable interconnection of Large Facilities to the New York State Transmission System or to the Distribution System in compliance with the NYISO Minimum Interconnection Standard, as well as the deliverability analysis described in Attachment S ~~of~~ to the OATT designed to identify the System Deliverability Upgrades required for reliable interconnection in compliance with the NYISO Deliverability Interconnection Standard, where applicable.

30.3.3 Valid Interconnection Request

30.3.3.1 Initiating an Interconnection Request

To initiate an Interconnection Request, Developer must submit all of the following: (i) a \$10,000 non-refundable application fee; (ii) a completed application in the form of Appendix 1; and (iii) demonstration of Site Control or a posting of an additional deposit of \$10,000.

~~Deposits, excluding the application fee, shall be applied toward any Interconnection Studies~~

~~pursuant to the Interconnection Request.~~ If Developer provides Site Control that the ISO deems deficient, but subsequently demonstrates Site Control accepted by the ISO within the cure period specified in Section 30.3.3.3 ~~after submitting its Interconnection Request~~, the ~~additional~~ deposit in lieu of Site Control shall be refundable; otherwise, ~~all~~ such deposit(s), ~~additional and initial,~~ ~~becomes~~become non-refundable.

The expected Commercial Operation Date of the new Large Facility or proposed increase in capacity of the existing Large Facility provided at the time of the submission of the Interconnection Request shall be no more than ten (10) years from the date the Interconnection Request is received by the ISO. Extensions of Commercial Operation Dates are governed by Section 30.4.4.5.

30.3.3.2 Acknowledgment and Notification of Interconnection Request

The ISO shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement it returns to the Developer. At the same time, the ISO shall forward a copy of the Interconnection Request and its acknowledgement to the Connecting Transmission Owner with whom the Developer is proposing to connect; *provided, however*, that any Interconnection Request that is submitted for a proposed project subject to the ISO's competitive selection process in the ISO's Comprehensive System Planning Process in Attachment Y to the ISO OATT shall not be forwarded to the Connecting Transmission Owner(s) until the close of the applicable solicitation window.

30.3.3.3 Deficiencies in Interconnection Request

An Interconnection Request will not be considered to be a valid request until all items in Section 30.3.3.1 have been received by the ISO and the applicable solicitation window has

closed for any Interconnection Request that is submitted for a proposed project subject to the ISO's competitive selection process in the ISO's Comprehensive System Planning Process in Attachment Y to the ISO OATT. If an Interconnection Request fails to meet the requirements set forth in Section 30.3.3.1, the ISO shall notify the Developer and Connecting Transmission Owner within ten (10) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. However, for any Interconnection Request that is submitted for a proposed project subject to the ISO's competitive selection process in the ISO's Comprehensive System Planning Process in Attachment Y to the ISO OATT and that fails to meet the requirements set forth in Section 22.4.2.1, the ISO shall notify the Developer and the Connecting Transmission Owner(s) no later than ten (10) Business Days following the close of the applicable solicitation window. The Developer shall provide the ISO the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. The ISO shall promptly forward such information to the Connecting Transmission Owner; *provided, however*, for any Interconnection Request that is submitted for a proposed project subject to the ISO's competitive selection process in the ISO's Comprehensive System Planning Process in Attachment Y of the ISO OATT, such information will not be forwarded to the Connecting Transmission Owner(s) until the close of the applicable solicitation window. Failure by Developer to comply with this Section 30.3.3.3 shall be treated in accordance with Section 30.3.6.

30.3.3.4 Scoping Meeting

Within ten (10) Business Days after receipt of a valid Interconnection Request, the ISO shall establish a date agreeable to Developer and Connecting Transmission Owner for the

Scoping Meeting, and such date shall be no later than thirty (30) Calendar Days from receipt of the valid Interconnection Request, unless otherwise mutually agreed upon by the Parties.

The purpose of the Scoping Meeting shall be to reinforce the roles and responsibilities of all parties in the interconnection process, discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection, and to determine if Developer wishes to proceed with an Optional Interconnection Feasibility Study. The ISO, Connecting Transmission Owner and Developer will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general stability issues, (iii) general short circuit issues, (iv) general voltage issues, (v) general reliability issues, and (vi) general system protection issues, and (vii) general deliverability issues as may be reasonably required to accomplish the purpose of the meeting. The Connecting Transmission Owner and Affected Transmission Owner(s), identified pursuant to Section 30.3.5 of this Attachment X, shall provide input regarding proposed Point(s) of Interconnection and configurations. The ISO, Connecting Transmission Owner, Affected Transmission Owner(s), and Developer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Developer shall designate its Point of Interconnection, pursuant to Section 30.6.1, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose. Within five (5) Business Days after the Scoping Meeting, Developer shall advise the ISO whether it elects to proceed with an Optional Interconnection Feasibility Study.

30.3.4 OASIS Posting

The ISO will maintain on its OASIS a list of all valid Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date, Initial Synchronization Date and Commercial Operation Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the identity of the Developer; and (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Large Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Before holding a Scoping Meeting with an Affiliate of a Connecting Transmission Owner and that Connecting Transmission Owner, the ISO shall post on its OASIS an advance notice of its intent to do so. The ISO shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection System Reliability Impact Study reports shall be posted to the ISO password-protected website subsequent to the meeting between the Developer, The ISO and Connecting Transmission Owner to discuss the applicable study results. The ISO shall also post any known deviations in date proposed by the Large Facility in Section 30.3.4(iv), above.

30.3.5 Coordination with Affected Systems

The ISO will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators, as soon as they are identified – either by their own accord, by the Connecting Transmission Owner, by the

ISO or by members of the ISO's Operating Committee or Transmission Planning Advisory Subcommittee of the ISO's Operating Committee. The ISO will include those results on Affected Transmission Owner systems in its applicable Interconnection Study within the time frame specified in these Large Facility Interconnection Procedures. The ISO will also include results, if available, on other Affected Systems. The ISO will invite such Affected System Operators to all meetings held with the Developer as required by these Large Facility Interconnection Procedures. The Developer will cooperate with the ISO in all matters related to the conduct of studies and the determination of modifications to Affected Systems. An Affected System Operator shall cooperate with the ISO and Connecting Transmission Owner with whom interconnection has been requested in all matters related to the type and/or conduct of studies and the determination of modifications to Affected Systems. The ISO shall include in the appropriate interconnection study proposed studies requested by an identified Affected Transmission Owner to the extent such studies are reasonably justified in accordance with Good Utility Practice.

Upon completion of a Class Year Study in which a Developer accepts its Project Cost Allocation for System Upgrade Facilities and/or System Deliverability Upgrades and funds or commits to fund such upgrades as required by Attachment S, the Developer and Affected System Operator(s) will cooperate with the ISO in development of an Engineering, Procurement and Construction to provide for the engineering, procurement and construction of the System Upgrade Facilities and/or 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 Upgrade Facilities and/or 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.

For identified Affected Transmission Owner(s) of facilities electrically adjacent to the Point of Interconnection and that have design criteria, operational criteria or other local planning criteria applicable to either (1) the substation to which the Developer proposes to interconnect; or (2) the substation that will be required to be built to accommodate the interconnection, the ISO shall provide such Affected Transmission Owner(s) with the opportunity to review and provide comments on all study scopes, study reports and drafts thereof for the project, and will be included on communications regarding the project and meetings discussing the project or any of its studies, where such communications or meetings involve the ISO, Developer and Connecting Transmission Owner. The ISO shall include in the appropriate interconnection study proposed studies requested by such an identified Affected Transmission Owner to the extent such studies are reasonably justified in accordance with Good Utility Practice.

30.3.6 Withdrawal

The Developer may withdraw its Interconnection Request at any time by written notice of such withdrawal to the ISO. In addition, if the Developer fails to adhere to all requirements of these Large Facility Interconnection Procedures, except as provided in Section 30.13.5 (Disputes), the ISO shall deem the Interconnection Request to be withdrawn and shall provide written notice to the Developer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, the Developer shall have a cure period of fifteen (15) Business Days in which to either respond with information or actions that

cures the deficiency or to notify the ISO of its intent to pursue Dispute Resolution; except that such cure period does not extend specific deadlines set forth in Sections 25.6.2.3.2 and 25.8.2 of Attachment S and the deadlines for study agreement execution and submittal of all required deposits set forth in Section 30.8.1 of this Attachment X (*i.e.*, Developer cannot obtain an additional fifteen (15) business days by virtue of the cure period to comply with the requirements of the above-referenced tariff provisions, but could use the cure period to provide evidence that Developer did in fact provide the required information by the tariff-required date).

Withdrawal shall result in the loss of the Developer's Queue Position. If a Developer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, the Developer's Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. A Developer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to the ISO and Connecting Transmission Owner all costs that the ISO and Connecting Transmission Owner prudently incur with respect to that Interconnection Request prior to the receipt of notice described above. The Developer must pay all monies due to the ISO and Connecting Transmission Owner before it is allowed to obtain any Interconnection Study data or results.

The ISO shall (i) update the OASIS Queue Position posting and (ii) after all outstanding invoices for study work for the project have been received by the ISO, refund to the Developer any portion of the Developer's deposit or study payments that exceeds the costs that the ISO has incurred and any interest actually earned on the deposited amount, ~~including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations~~. In the event of such withdrawal, the ISO and Connecting Transmission Owner, subject to the confidentiality provisions of Section 30.13.1, shall provide, at Developer's request, all information that the ISO and Connecting

Transmission Owner developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

30.4 Queue Position

30.4.1 General

The ISO shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request; provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and the Developer provides such information in accordance with Section 30.3.3.3, then the ISO shall assign the Developer a Queue Position based on the date the application form was originally filed. The Queue Position of each Interconnection Request will be used to determine the order of performing the Interconnection Studies. A higher queued Interconnection Request is one that has been placed “earlier” in the queue in relation to another Interconnection Request that is lower queued.

30.4.2 Clustering

At the ISO’s option, Interconnection Requests may be studied serially or in clusters for the purpose of the Interconnection System Reliability Impact Study.

Clustering shall be implemented on the basis of Queue Position. If the ISO elects to study Interconnection Requests using Clustering, all Interconnection Requests received within a period not to exceed one hundred and eighty (180) Calendar Days, hereinafter referred to as the “Queue Cluster Window” shall be studied together. Deadlines for completing all Interconnection System Reliability Impact Studies for all Interconnection Requests assigned to the same Queue Cluster Window shall be in accordance with Section 30.7.4. The ISO may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Facility.

Clustering Interconnection System Reliability Impact Studies shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission

expansion plan in light of the New York State Transmission System capabilities at the time of each study.

The Queue Cluster Window shall have a fixed time interval based on fixed annual opening and closing dates. Any changes to the established Queue Cluster Window interval and opening or closing dates shall be announced with a posting on the ISO's OASIS beginning at least one hundred and eighty (180) Calendar Days in advance of the change and continuing thereafter through the end date of the first Queue Cluster Window that is to be modified.

30.4.3 Transferability of Queue Position

A Developer may transfer its Queue Position to another entity only if such entity acquires the specific Large Facility identified in the Interconnection Request and the Point of Interconnection does not change. As a result of such a transfer, the acquiring entity shall become the Developer of the specific Large Facility identified in the Interconnection Request.

30.4.4 Modifications

The Developer shall submit to the ISO, in writing, modifications to any information provided in the Interconnection Request. The Developer shall retain its Queue Position if the modifications are permitted in accordance with Sections 30.4.4.1, 30.4.4.2, 30.4.4.5 or 30.4.4.6, or are determined not to be Material Modifications pursuant to Section 30.4.4.3.

Notwithstanding the above, during the course of the Interconnection Studies, either the Developer or the ISO or Connecting Transmission Owner may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the New York State Transmission System to accommodate the Interconnection Request. To the extent the identified changes are acceptable to the ISO, Connecting Transmission Owner and Developer, such acceptance not to be unreasonably

withheld, the ISO shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 30.6.4, Section 30.7.6 and Section 30.8.5 as applicable and Developer shall retain its Queue Position.

30.4.4.1 Prior to the commencement of the Interconnection System Reliability

Impact Study ~~Agreement~~ as posted on the ISO's interconnection queue-, modifications permitted under this section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Large Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of study analysis.

30.4.4.2 Prior to the return of the executed Interconnection Facility Study

Agreement to the ISO, the modifications permitted under this section shall include specifically: (a) additional 15 percent decrease of electrical output (MW), (b) Large Facility technical parameters associated with modifications to Large Facility technology and transformer impedances; and (c) a reduction in the number of MW the Developer requests to be evaluated for CRIS; provided, however, the incremental Interconnection Study costs associated with those modifications are the responsibility of the requesting Developer.

30.4.4.3 Prior to making any modification other than those specifically permitted

by Sections 30.4.4.1, 30.4.4.2, 30.4.4.5 and 30.4.4.6, Developer may first request

that the ISO evaluate whether such modification is a Material Modification. In response to Developer's request, the ISO shall evaluate the proposed modifications prior to making them and inform the Developer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection except those deemed acceptable under Section 30.4.4.1, 30.6.1, 30.7.2 or so allowed elsewhere shall constitute a Material Modification. Unless requested prior the commencement of the System Reliability Impact Study, any increase in requested CRIS from the requested CRIS set forth in the Interconnection Request or any request for CRIS not included in the Interconnection Request (i.e., if the Interconnection Request included only a request for ERIS) shall constitute a Material Modification. The Developer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

30.4.4.4 Upon receipt of Developer's request for modification permitted under this Section 30.4.4, the ISO shall commence and perform any necessary additional studies as soon as practicable, but in no event shall the ISO commence such studies later than thirty (30) Calendar Days after receiving notice of Developer's request. Any additional studies resulting from such modification shall be done at Developer's cost.

30.4.4.5 Extensions of the proposed Commercial Operation Date will not be Material Modifications if:

30.4.4.5.1 The proposed Commercial Operation Date is within four (4) years from the following date:

30.4.4.5.1.1 For all Large Facilities and for Small Generating Facilities subject to Attachment S, the date the Developer and all other Developers remaining in the Class Year post security as part of a Class Year Interconnection Facilities Study (*i.e.*, completion of the Class Year).

30.4.4.5.1.2 For Small Generating Facilities not subject to Attachment S, the date the ISO tenders the SGIA to the Interconnection Customer.

30.4.4.5.2 Developer may request an extension of its Commercial Operation Date beyond the limit specified in Section 30.4.4.5.1. Such request will not be a Material Modification only if the following conditions have been met:

30.4.4.5.2.1 Developer must have an executed Interconnection Agreement for the project or have an unexecuted Interconnection Agreement jointly filed at FERC by the ISO and Connecting Transmission Owner; and

30.4.4.5.2.2 Developer must demonstrate (via an Officer certification) that it has made reasonable progress against milestones set forth in the Interconnection Agreement (*e.g.*, completion of engineering design, major equipment orders, commencement and continuation of construction of the Large Facility and associated System Upgrade Facilities, as applicable). If Developer has requested an unexecuted Interconnection Agreement be filed with FERC, Developer must meet this requirement within sixty (60) days of a FERC Order on the unexecuted Interconnection Agreement.

30.4.4.5.3 For projects in the ISO interconnection queue that as of February 18, 2013 have accepted Project Cost Allocations and posted Security for System Upgrade Facilities from the final round of a Class Year Interconnection Facilities Study,

the following criteria must be satisfied with respect to the proposed Commercial Operation Date:

30.4.4.5.3.1 The project's proposed Commercial Operation Date posted on the ISO interconnection queue as of February 18, 2013 must be within the limit specified in Section 30.4.4.5.1; or

30.4.4.5.3.2 The project's proposed Commercial Operation Date posted on the ISO interconnection queue as of February 18, 2013 must have been reviewed by the ISO and determined not to be a Material Modification prior to February 18, 2013; or

30.4.4.5.3.3 If the project's proposed Commercial Operation Date posted on the ISO interconnection queue as of February 18, 2013 is beyond the limit specified in Section 30.4.4.5.1 and the project has not satisfied Section 30.4.4.5.3.2, the following conditions must be satisfied or the project will be withdrawn from the ISO interconnection queue:

30.4.4.5.3.3.1 Within sixty (60) days of February 18, 2013, Developer must either (1) have an executed Interconnection Agreement for the project; or (2) have an unexecuted Interconnection Agreement jointly filed at FERC by the ISO and Connecting Transmission Owner; and

30.4.4.5.3.3.2 Within sixty (60) days of execution of an Interconnection Agreement or a FERC Order on an unexecuted Interconnection Agreement, as applicable, Developer must demonstrate (via an Officer certification) that it has made reasonable progress against milestones set forth in the Interconnection Agreement (*e.g.*, completion of engineering design, major equipment orders, commencement

and continuation of construction of the Large Facility and associated System Upgrade Facilities, as applicable).

30.4.4.5.3.4 For a project that is subject to Section 30.4.4.5.3, subsequent requests for an extension of the project's Commercial Operation Date (*i.e.*, requests submitted to the ISO after February 18, 2013) will not be a Material Modification only if Developer satisfies the requirements set forth in Section 30.4.4.5.2.

30.4.4.5.4 Prior to the expiration of the proposed In-Service Date posted on the ISO interconnection queue, as applicable, Developer is obligated to provide the ISO with notice of any proposed extensions of proposed In-Service Date, proposed Initial Synchronization Date or proposed Commercial Operation Date, as applicable, as soon as it becomes apparent to Developer that the most recent proposed In-Service Date posted on the ISO's interconnection queue is infeasible.

30.4.4.6 Any increase by the Developer, when it ~~executes~~completes the Class Year Interconnection Facilities Study Agreement, in the number of MW of Installed Capacity that it previously requested to be evaluated for CRIS shall constitute a Material Modification. Any decrease in the number of MWs the Developer requests, pursuant to Section 25.7.7.1 of Attachment S to the ISO OATT, to be evaluated for CRIS after it executes the Class Year Interconnection Facilities Study Agreement, shall not constitute a Material Modification.

30.7 Interconnection System Reliability Impact Study

30.7.1 Commencing an Interconnection System Reliability Impact Study

Developer shall advise the ISO that it elects to proceed with an Interconnection System Reliability Impact Study within five (5) Business Days after either the delivery of the final Optional Interconnection Feasibility Study report to the Developer, or, the Scoping Meeting, if the Developer opts to forego the Optional Interconnection Feasibility Study. As soon as practicable after receipt of such election from the Developer, the ISO shall provide to the Developer and Connecting Transmission Owner a good faith estimate of the cost and timeframe for completing the Interconnection System Reliability Impact Study (“SRIS”). The Developer shall compensate the ISO and Connecting Transmission Owner for the actual cost of the SRIS.

30.7.2 Study Deposit and Site Control Requirements for an Interconnection System Reliability Impact Study

The Developer shall submit to the ISO no later than fifteen (15) Business Days after the ISO’s notice to Developer and the Connecting Transmission Owner of the good faith estimate of the cost and timeframe for completing the SRIS the following: (1) demonstration of Site Control (if Site Control was not provided with the Interconnection Request); (2) the required SRIS deposit pursuant to Section 30.7.2.1 of this Attachment X; and (3) the technical data requested by the ISO. The ISO shall notify the Developer and the Connecting Transmission Owner that the Interconnection System Reliability Impact Study has commenced following receipt of the required SRIS deposit and once the ISO deems the required technical data and site control sufficient.

30.7.2.1 Applicable Study Deposit

If the ISO is responsible for performing the entire study, the required deposit is \$120,000 ~~(\$150,000 if the Developer elects to include a preliminary, non-binding evaluation of the Large Facility's deliverability under the NYISO Deliverability Interconnection Standard)~~. If the Developer is hiring a third-party consultant to perform the analytical portion of the study, the required deposit is \$40,000 ~~(\$70,000 if the Developer elects to include a preliminary, non-binding evaluation of the Large Facility's deliverability under the NYISO Deliverability Interconnection Standard)~~. If the Developer does not provide the required study deposit within fifteen (15) Business Days after the ISO's notice to the Developer and the Connecting Transmission Owner of the good faith estimate of the cost and timeframe for completing the SRIS, the Interconnection Request will be subject to withdrawal.

30.7.2.2 Required Technical Data for the SRIS

If the Developer does not provide all required technical data, the ISO shall notify the Developer of the deficiency and the Developer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such ability to cure technical deficiencies does not apply to failure to demonstrate site control or submit the required deposit in lieu of demonstrating site control.

30.7.2.3 Substitute Point of Interconnection

If the SRIS uncovers any unexpected result(s) not contemplated during the Scoping Meeting and the Optional Interconnection Feasibility Study, a substitute Point of Interconnection identified by either Developer or Connecting Transmission Owner and the ISO, and acceptable to the other Parties, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and

restudies shall be completed pursuant to Section 30.7.6 as applicable. For the purpose of this Section 30.7.2.3, if the ISO, Connecting Transmission Owner and Developer cannot agree on the substituted Point of Interconnection, then Developer may direct that one of the alternatives as specified in the Optional Interconnection Feasibility Study Agreement, as specified pursuant to Section 30.3.3.4, shall be the substitute.

30.7.3 Scope of Interconnection System Reliability Impact Study

The SRIS shall consist of an evaluation under the Minimum Interconnection Standard and, as applicable pursuant to Section 30.7.3.2 of this Attachment X, a deliverability evaluation under the Deliverability Interconnection Standard.

~~The SRIS shall evaluate the impact of the proposed interconnection on the reliability of the New York State Transmission System. If an Optional Interconnection Feasibility Study is not performed for the project, the SRIS will also evaluate the feasibility of the proposed interconnection. The SRIS shall be conducted in accordance with Applicable Reliability Standards.~~ The SRIS will consider the Base Case, and if not already included in the Base Case, all generators and Class Year Transmission Projects (and with respect to (iii) below, any identified System Upgrade Facilities associated with such higher queued interconnection and, if security or cash has been posted in accordance with Attachment S, System Deliverability Upgrades, except for Highway facility upgrades that have not yet been triggered under Section 25.7.12.3.1 of Attachment S) that, on the date the SRIS scope is approved by the Operating Committee: (i) are directly interconnected to the New York State Transmission System or to the Distribution System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have accepted their cost allocation for System Upgrade Facilities and posted security for such System Upgrade Facilities in accordance with Attachment S; and

(iv) have no Queue Position but have executed a Standard Large Generator Interconnection Agreement or requested that an unexecuted Standard Large Generator Interconnection Agreement be filed with FERC.

The ISO may request additional information from Developer and Connecting Transmission Owner as may reasonably become necessary consistent with Good Utility Practice during the course of the SRIS. Upon request from the ISO for additional information required for or related to the SRIS, the Developer and Connecting Transmission Owner shall provide such additional information in a prompt manner.

30.7.3.1 Evaluation under the Minimum Interconnection Standard

The SRIS will consist of ~~a~~ short circuit analyses, local steady state analyses, and local stability analyses ~~short circuit analysis, a stability analysis, and a power flow analysis~~; however, additional analysis may be required if that analysis could reasonably be expected to identify reliability violations requiring SUFs. ~~F~~for a Developer proposing an incremental increase in output to an existing Large Facility, the SRIS scope may be narrowed upon mutual agreement among the ISO, Connecting Transmission Owner and the Developer. The SRIS will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to providing ~~Energy Resource Interconnection Service~~ ERIS, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The SRIS will provide a list of facilities that are required as a result of the Interconnection Request and a nonbinding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct. The scope of the SRIS will be provided to the Developer and Connecting Transmission Owner for review and comment. After the SRIS scope

is finalized, the ISO will provide the final scope to the Connecting Transmission Owner. The Connecting Transmission Owner shall indicate its agreement to the scope of the SRIS by signing it and promptly returning it to the ISO, such agreement not to be unreasonably withheld.

The ISO Operating Committee shall approve the specific study scope proposed for each SRIS.

The SRIS shall evaluate the impact of the proposed interconnection on the reliability of the New York State Transmission System. If an Optional Interconnection Feasibility Study is not performed for the project, the SRIS will also evaluate the feasibility of the proposed interconnection.

The SRIS shall be conducted in accordance with Applicable Reliability Standards and shall indicate the Developer's requested ERIS and CRIS and whether the SRIS will include a deliverability evaluation pursuant to Section 30.7.3.2 of this Attachment X.

30.7.3.2 Evaluation under the Deliverability Interconnection Standard

If the Large Facility requests CRIS, the ISO will determine whether the requested CRIS is likely to require System Deliverability Upgrades by performing a preliminary, non-binding evaluation of the deliverability of the Large Facility's requested CRIS under the NYISO Deliverability Interconnection Standard. If the ISO determines that a preliminary deliverability evaluation is required in the SRIS, such requirement will be documented in the SRIS Scope.

A Large Facility for which the ISO does not require a deliverability evaluation in the SRIS may, at Developer's option, and subject to an additional \$30,000 SRIS deposit, the SRIS may include elect to include in the SRIS scope a preliminary evaluation of the Large Facility under the Deliverability Interconnection Standard ~~if the Large Facility elected both Energy~~

~~Resource Interconnection Service and Capacity Resource Interconnection Service in its Interconnection Request.~~

~~The~~^{Such} preliminary deliverability evaluation will state the assumptions upon which it is based; state the results of the preliminary analyses; and, as applicable, identify and provide preliminary, non-binding cost estimates for ~~identify~~ potential System Deliverability Upgrades at a high level; ~~and provide preliminary System Deliverability Upgrade cost estimates which may be based on generic information.~~ The preliminary deliverability evaluation will be performed in accordance with the Class Year Study deliverability procedures set forth in Sections 25.7.3, 25.7.5, 25.7.8 and 25.7.9 of Attachment S to the OATT; provided, however, that the Large Facility will be evaluated individually and not on an aggregate basis with other projects. If the SRIS deliverability evaluation determines that a Large Facility is not deliverable for its full amount of requested CRIS, the ISO will (1) identify, at a high level, potential System Deliverability Upgrades to make the facility fully deliverable for the full amount of requested CRIS; and (2) provide preliminary non-binding cost estimates for such potential System Deliverability Upgrades. The identification and cost estimates of potential System Deliverability Upgrades in this preliminary deliverability evaluation may be based on generic information.

If the Large Facility for which the SRIS includes a deliverability evaluation pursuant to this Section 30.7.3.2 and such evaluation identifies potential System Deliverability Upgrades, the evaluation of such upgrades will be refined in the Class Year Study prior to the Class Year Deliverability Study and subsequently revised, as necessary, in light of Class Year Deliverability Study results that may alleviate the need for or require alternative System Deliverability Upgrades. To the extent the ISO identifies alternative potential System Deliverability Upgrades,

the Developer may elect which System Deliverability Upgrades to be evaluated in the Class Year Study.

To the extent ~~the project~~ a Large Facility for which the SRIS includes a deliverability evaluation pursuant to this Section 30.7.3.2 subsequently elects to proceed to a Class Year Interconnection Facilities Study, the portion of the Class Year Interconnection Facilities Study costs attributable to the Class Year Deliverability Study would not be offset by any expenses paid by the Developer for a preliminary deliverability evaluation in its SRIS.

30.7.4 Interconnection System Reliability Impact Study Procedures

The ISO shall coordinate the SRIS with any Affected System that is affected by the Interconnection Request pursuant to Section 30.3.5 above. The ISO shall utilize existing studies to the extent practicable when it performs the study. The ISO shall use Reasonable Efforts to complete the SRIS within ninety (90) Calendar Days after the ISO confirms receipt of the required study deposit, required technical data, and Site Control (if Site Control was not provided with the Interconnection Request); provided, however, if the SRIS requires a deliverability evaluation pursuant to Section 30.7.3.2 of this Attachment X, the ISO shall use Reasonable Efforts to complete the SRIS within 120 Calendar Days after the ISO confirms receipt of the required study deposit, required technical data, and Site Control (if Site Control was not provided with the Interconnection Request). If ISO uses Clustering, the ISO shall use Reasonable Efforts to deliver a completed SRIS within ninety (90) Calendar Days after the close of the Queue Cluster Window. The ISO Operating Committee shall approve each final SRIS.

At the request of the Developer or at any time the ISO determines that it will not meet the required timeframe for completing the SRIS, the ISO shall notify the Developer as to the schedule status of the SRIS. If the ISO is unable to complete the SRIS within the time period, it

shall notify the Developer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, the ISO shall provide the Developer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the SRIS, subject to confidentiality arrangements consistent with Section 30.13.1.

30.7.5 Study Report Meeting

Connecting Transmission Owner and any Affecting Transmission Owners, together with Developer, will be provided with drafts of the SRIS report for review. Review and comments shall be provided to the ISO within fifteen (15) Business Days of receipt. Within ten (10) Business Days of providing a final draft SRIS report to Developer, the ISO and Connecting Transmission Owner shall meet with Developer to discuss the results of the SRIS.

Upon the ISO's issuance of a final draft SRIS report, the Developer must proceed with its study report to the Transmission Planning Advisory Subcommittee ("TPAS") of the ISO Operating Committee within three (3) months and to the next ISO Operating Committee meeting following the TPAS review; provided, however, if the TPAS recommends revisions or supplements to the study report, the revised report must proceed to the next TPAS meeting following completion of such revisions, and to the next ISO Operating Committee following the TPAS review of the revised study report. Failure to proceed with its study report to the TPAS and ISO Operating Committee within these timeframes will result in withdrawal of the Interconnection Request.

The ISO Operating Committee shall approve each final SRIS report after review of the final SRIS report by the TPAS.

30.7.6 Re-Study

If the ISO determines that re-study of the SRIS is required due to a higher queued project dropping out of the queue, a modification of a higher queued project subject to Section 30.4.4, or re-designation of the Point of Interconnection pursuant to Section 30.7.2, the ISO shall notify Developer in writing. Such re-study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of re-study shall be borne by the Developer being re-studied.

30.8 Class Year Interconnection Facilities Study

30.8.1 Class Year Interconnection Facilities Study Agreement

As soon as practicable after a Class Year Study Start Date is established pursuant to Section 25.5.9 of Attachment S to the OATT, the ISO shall provide a Class Year Interconnection Facilities Study Agreement for the ~~next~~ Class Year Study in the form of Appendix 42 to these Large Facility Interconnection Procedures to each Developer and Interconnection Customer ~~who~~ that elected to enter the Class Year within the time period set forth in Section 25.5.9 of Attachment S and has not previously received an agreement for the ~~next~~ Class Year Study, ~~upon request~~, contingent upon confirmation by the ISO that the Developer is an Eligible Class Year Project. The ISO shall tender a Class Year Interconnection Facilities Study Agreement at an earlier point to any Developer or Interconnection Customer that so requests entry into the Class Year and that the ISO confirmed to be an Eligible Class Year Project. When the ISO provides a Class Year Interconnection Facilities Study Agreement to an Eligible Class Year Project, the ISO shall, at the same time, also provide one to that Eligible Class Year Project's Connecting Transmission Owner. When a Developer or Interconnection Customer requests entry into the Class Year Study, it shall provide with its request for entry either (i) a demonstration that the project satisfies the applicable regulatory milestones described in Section 25.6.2.3.1.1 of Attachment S or (ii) notice that it will submit a qualifying contract pursuant to Section 25.6.2.3.1 of Attachment S to the OATT or a two-part deposit consisting of \$100,000 plus \$3,000/MW deposit as required by Section 25.6.2.3.1. The Class Year Interconnection Facilities Study Agreement shall provide that the Class Year Project shall compensate the ISO and Connecting Transmission Owner for the actual cost of the Class Year Interconnection Facilities Study. When the ISO provides the Class Year Interconnection Facilities Study Agreement to the

Eligible Class Year Project, the ISO shall provide to the Eligible Class Year Project a non-binding good faith estimate of the cost and timeframe for completing the Class Year

Interconnection Facilities Study. The Eligible Class Year Project shall ~~execute~~complete the Class Year Interconnection Facilities Study Agreement and deliver the ~~executed~~completed Class Year Interconnection Facilities Study Agreement to the ISO within ~~thirty (30)~~ten (10) ~~Calendar~~Business Days after the Developer's receipt of the Class Year Interconnection Facilities Study Agreement. Starting with the Class Year subsequent to Class Year ~~2012~~2019, with the ~~executed~~completed Class Year Interconnection Facilities Study Agreement, to be submitted no later than the deadline for the Class Year Interconnection Facilities Study Agreement, the Class Year Project shall deliver to the ISO (1) the required technical data (including data required by the Connecting Transmission Owner, to the extent such data is requested by the ISO when it provides notice of a Class Year Start Date or tenders the Class Year Interconnection Facilities Study Agreement); (2) the Class Year Project's interconnection service evaluation election; (3) for Large Facilities not yet In-Service, an updated proposed In-Service Date, an updated proposed Initial Synchronization Date and an updated proposed Commercial Operation Date (subject to the ten (10) year limitation set forth in Section 30.3.1); (4) a study deposit of \$100,000 (if the Class Year Project seeks evaluation for ERIS or ERIS and CRIS), or \$50,000 (if the Class Year Project seeks only CRIS); and (5) if the Developer has not satisfied the applicable regulatory milestone described in Section 25.6.2.3.1.1 of Attachment S to the ISO OATT, either a demonstration of a qualifying contract pursuant to Section 25.6.2.3.1(ii)(1) of Attachment S to the OATT or a two-part deposit consisting of \$100,000 plus \$3,000/MW deposit as required by Section 25.6.2.3.1(ii)(2). At the same time the Class Year Project provides the above items to the ISO, the Class Year Project shall deliver the ~~executed~~completed Class Year Interconnection

Facilities Study Agreement, together with the required technical data (as applicable), to the Connecting Transmission Owner. If the technical data provided is deficient, the ISO shall notify the Developer of the reasons for such deficiency. Developer shall provide the ISO the additional requested information needed to cure the deficiencies within ten (10) Business Days after receipt of such notice. Failure to cure the deficiencies shall result in withdrawal from the interconnection queue pursuant to Section 30.3.6 of this Attachment X. The Developer, ISO and Connecting Transmission Owner shall execute the Class Year Interconnection Facilities Study Agreement no later than ten (10) ~~Business~~ Calendar Days after the ISO confirms receipt of the ~~executed~~ completed Class Year Interconnection Facilities Study Agreement, the required technical data and required deposits from the Developer. The ISO shall provide a copy of the fully executed Class Year Interconnection Facilities Study Agreement to the Developer and Connecting Transmission Owner.

A Developer that retracts its election to enter a Class Year Study after the ISO's tender of the Class Year Study Agreement prior to or after the deadline for execution of the Class Year Study Agreement will not become a member of the Class Year Study; however, such retraction will count as one of the two Class Year Studies that a project may enter pursuant to Section 25.6.2.3.4 of Attachment S to the OATT.

30.8.1.1 The ISO shall invoice the Class Year Project on a monthly basis for the work ~~to be~~ conducted on the Class Year Interconnection Facilities Study each month. Any Class Year Project having elected only ERIS shall not be invoiced for any part of the cost of the Class Year Deliverability Study. Any Class Year Project that elects to reduce the MW of CRIS it requests to be evaluated in the Class Year Deliverability Study and thereby opts out of any additional detailed

studies, if required, for System Deliverability Upgrades, shall not be invoiced for any additional detailed studies required for System Deliverability Upgrades. The Class Year Project shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. The ISO shall continue to hold the amounts on deposit until settlement of the final invoice.

30.8.1.2 ~~Starting with the Class Year Study subsequent to Class Year 2017, a~~[A](#)

Class Year project may withdraw from the Class Year Study pursuant to Section 25.5.9 of Attachment S prior to completion of the Annual Transmission Baseline Assessment study cases. Upon such withdrawal, the deposits paid in lieu of satisfaction of the regulatory milestone pursuant to Section 25.6.2.3.1 of Attachment S will be fully refunded.

30.8.2 Scope of Class Year Interconnection Facilities Study

The Class Year Interconnection Facilities Study shall be performed concurrently as a combined Class Year Interconnection Facilities Study for a Class Year, as determined in accordance with Attachment S of the ISO OATT, to fulfill the requirements of this Section 30.8, and the requirements of the Annual Transmission Reliability Assessment and Class Year Deliverability Study called for by Attachment S.

The combined Class Year Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering and design work, permitting, site acquisition, procurement and construction work and commissioning needed for the Class Year in accordance with Good Utility Practice and, for each of these cost categories, shall specify and estimate the cost of the work to be done at each substation and/or on each feeder to physically and electrically connect each facility in the Class Year to the Transmission System. The combined Class Year

Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Connecting Transmission Owners' Attachment Facilities, any Distribution Upgrades, any System Upgrade Facilities and, for Class Year Projects seeking CRIS, any System Deliverability Upgrades necessary to accomplish the interconnection of each Class Year Project; and shall include a schedule showing the estimated time required to complete the engineering and design, permitting, site acquisition, procurement, construction, installation and commissioning phases of the Class Year Projects. If the System Reliability Interconnection System for the Large Facility includes a deliverability evaluation pursuant to Section 30.7.3.2 of this Attachment X, and such evaluation identifies potential System Deliverability Upgrades, the evaluation of such upgrades will be refined in the Class Year Study, which may include revisions to or alleviation of the need for the identified potential System Deliverability Upgrades or alternative System Deliverability Upgrades based on the Class Year Deliverability Study results. To the extent the ISO identifies alternative potential System Deliverability Upgrades in the System Reliability Impact Study, the Developer may elect which System Deliverability Upgrades to be evaluated in the Class Year Study.

The Class Year Study schedule shall contain major milestones to facilitate the tracking of the progress of each Class Year Project.

- 30.8.2.1 ~~Following execution of the~~With the completed Class Year Interconnection Facilities Study Agreement, Developer shall submit to the ISO an updated proposed In-Service Date, an updated proposed Initial Synchronization Date and an updated proposed Commercial Operation Date every ninety (90) Calendar Days.

30.8.2.2 Following commencement of the activities described in Section 30.8.2 of this Attachment X, for each Class Year Project not yet In-Service, the Class Year Project, that Class Year Project's Connecting Transmission Owner and each Affected Transmission Owner(s) shall report every other month on the progress of their respective activities to the ISO and to each other. Such reports shall be in a format consistent with, and include the content required by, applicable ISO Procedures. In these bimonthly reports, each Class Year Project and Connecting Transmission Owner and Affected Transmission Owner(s) shall report any material variance from earlier schedule estimates for their respective activities, and the reasons for such variance. In addition, the Connecting Transmission Owner and Affected Transmission Owner(s) shall report any material variance from earlier cost estimates for its activities, and the reasons for such variance.

30.8.3 Class Year Interconnection Facilities Study Procedures

The ISO shall coordinate the Class Year Interconnection Facilities Study with the Connecting Transmission Owner and Affected Transmission Owners, and with any other Affected System pursuant to Section 30.3.5 above. The ISO shall utilize existing studies to the extent practicable in performing the Class Year Interconnection Facilities Study, [including any deliverability analyses from the System Reliability Impact Study, as applicable.](#)

The ISO may request additional information from the Developer and Connecting Transmission Owner as may reasonably become necessary consistent with Good Utility Practice during the course of the Class Year Interconnection Facilities Study. Upon request from the ISO for additional information required for or related to the Class Year Interconnection Facilities

Study, the Developer and Connecting Transmission Owner shall provide such additional information in a prompt manner.

The ISO shall follow the procedures set forth in Attachment S of the ISO OATT and shall use Reasonable Efforts to complete the study and issue a Class Year Interconnection Facilities Study report to the Class Year Projects within the timeframe called for in Attachment S.

At the request of any Class Year Project, or at any time the ISO determines that it will not meet the required time frame for completing the Class Year Interconnection Facilities Study, the ISO shall notify the Class Year Projects as to the schedule status of the Class Year Interconnection Facilities Study. If the ISO is unable to complete the Class Year Interconnection Facilities Study and issue a cost allocation report within the time required, it shall notify the Class Year Projects and provide an estimated completion date and an explanation of the reasons why additional time is required.

Upon request, the ISO shall provide each Class Year Project supporting documentation, workpapers, and databases or data developed in the preparation of the Class Year Interconnection Facilities Study, subject to non-disclosure arrangements consistent with Section 30.13.1.

30.8.4 Study Report Meeting

Within ten (10) Business Days of providing a draft Class Year Interconnection Facilities Study report to Class Year Projects, the ISO and Connecting Transmission Owner and Affected Transmission Owners shall meet with the Developers (and Interconnection Customers, as applicable) for Class Year Projects to discuss the results of the Class Year Interconnection Facilities Study.

30.8.5 Re-Study

If re-study of the Class Year Interconnection Facilities Study and cost allocation report is required pursuant to Section 25.8.2 and Section 25.8.3 of Attachment S, the ISO shall so notify Class Year Projects and conduct such re-study in accordance with the requirements of Attachment S. Any cost of re-study shall be borne by the Class Year Projects being re-studied.

30.14 Appendices

APPENDIX 1 TO LFIP - INTERCONNECTION REQUEST

1. The undersigned Developer submits this request to interconnect its Large Generating Facility or Class Year Transmission Project with the New York State Transmission System or Distribution System pursuant to the Standard Large Facility Interconnection Procedures in the ISO OATT ("LFIP").
2. This Interconnection Request is for [insert project name]: _____
_____, which

is (check one of the following):

- _____ A proposed new Large Generating Facility
- _____ A proposed new BTM:NG Resource
- _____ A proposed new Class Year Transmission Project
- _____ A material modification to a proposed or existing facility (*e.g.*, an increase in the capacity of an existing facility beyond the permissible *de minimis* increases permitted under Section 30.3.1 of Attachment X to the ISO OATT)

3. Address or location of the proposed new Large Facility site (to the extent known) or, in the case of an existing Generating Facility or Class Year Transmission Project, the name and specific location of that existing facility: _____

4. Approximate location, and, if available, address, coordinates, of the proposed Point(s) of Interconnection: _____

5. MW nameplate rating: _____

6. Requested Interconnection Service:

~~6.~~ MW of requested ERIIS: _____

- Maximum summer net (net MW = gross MW minus auxiliary loads total MW) which can be achieved at 90 degrees F: _____
Maximum winter net (net MW = gross MW minus auxiliary loads total MW) which can be achieved at 10 degrees F : _____
- MW of requested increase in ERIIS of an existing facility, as calculated from the baseline ERIIS (as defined in Section 30.3.1 of ~~this~~ Attachment X – for temperature-sensitive machines, provide the summer and winter MW vs.

temperature curves for both gross MW and net MW corresponding to the requested net MW values provided above): _____

MW of requested CRIS: _____

7. If a Class Year Transmission Project, which of the following forms of ~~Capacity Resource Interconnection Service~~ CRIS does the Developer intend to request:

Unforced Capacity Deliverability Rights
External-to-Rest of State Deliverability Rights

8. General description of the proposed project (*e.g.*: describe type/size/number/general configuration of the proposed generator units, transmission, transformers, feeders, lines leading to the proposed point of interconnection(s), breakers, etc): _____

9. Attach a conceptual breaker one-line diagram and a project location geo map.;

10. Proposed In-Service Date (Month/Year): _____

Proposed Initial Synchronization Date (Month/Year): _____

Proposed Commercial Operation Date (Month/Year): _____

11. Developer's contact person:

Name (type or print): _____

Title: _____

Company: _____

Address: _____

Email: _____

12. Project power flow, short circuit, transient stability modeling data and supporting documentation (as set forth in Attachment A) (optional). Modeling data will be required during the scoping and applicable study agreement process, as coordinated by the ISO.

13. \$10,000 non-refundable application fee must be submitted with this Interconnection Request form.

14. Evidence of Site Control as specified in the LFIP (check one):

_____ Is attached to this Interconnection Request and provides site control for the following number of acres: _____; or

_____ Will be provided at a later date in accordance with the LFIP, in which case a non-refundable \$10,000 deposit in lieu of site control must be provided with this Interconnection Request form

15. This Interconnection Request shall be submitted to the ISO at the following email address: NewProject@nyiso.com

16. This Interconnection Request is submitted by:

Signature: _____

Name (type or print): _____

Title: _____

Company: _____

Date: _____

LARGE GENERATING FACILITY PRELIMINARY DATA
(Additional data will be required at subsequent stages of the interconnection study process)

UNIT RATINGS

MVA _____ °F _____ Voltage (kV) _____

Maximum Reactive Power at Rated Power Leading (MVAR):

_____ Lagging (MVAR): _____

Connection (*e.g.* Wye, Delta or Wye-grounded) _____

Reactance data per unit, Subtransient – unsaturated (X''_{di}): _____

Unit manufacturer/make: _____

NOTE: If requested information is not applicable, indicate by marking “N / A.”

GENERATOR STEP-UP TRANSFORMER DATA

RATINGS

Capacity _____ Self-cooled/Maximum Nameplate
_____/_____MVA

Voltage Ratio (Generator Side/System Side/Tertiary)
_____/_____/_____kV

Winding Connections (Generator Side/System Side/Tertiary (Delta or Wye))
_____/_____/_____

Fixed Taps Available _____

Present Tap Setting _____

IMPEDANCE

Positive Z1 (on self-cooled MVA rating) _____ % _____ X/R

Zero Z0 (on self-cooled MVA rating) _____ % _____ X/R

ADDITIONAL INFORMATION REQUESTED FOR WIND GENERATORS

Number of generators to be interconnected pursuant to this Interconnection Request: _____

Generator Height: _____ Single Phase _____

Three Phase

Inverter manufacturer, model name, number, and version:

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied at a later stage of the interconnection study process.

ADDITIONAL INFORMATION REQUESTED FOR SOLAR GENERATORS

Number of solar panels to be interconnected pursuant to this Interconnection Request: _____

Type of solar arrays (*i.e.*, fixed, 1-axis, 2-axis, 2-axis flat panel, 2-axis CPV, CSP, etc.):

Inverter manufacturer, model name, number, and version:

ADDITIONAL INFORMATION REQUESTED FOR CLASS YEAR TRANSMISSION PROJECTS

Description of proposed project:

a. General description of the equipment configuration and kV level:

b. Transmission technology and manufacturer (*e.g.*, HVDC VSC): _____

ADDITIONAL INFORMATION REQUESTED FOR BTM:NG RESOURCES

Type of Generator: ____ Synchronous ____ Induction ____ Inverter

Generator Nameplate Rating: _____ kW (Typical) Generator Nameplate kVAR: _____

~~Interconnection Customer~~ Developer or Customer-Site Load: _____ kW (if none, so state)

Existing load? Yes ____ No ____

If existing load with metered load data, provide coincident Summer peak load: _____

If new load or existing load without metered load data, provide estimated coincident Summer peak load, together with supporting documentation for such estimated value:

ADDITIONAL INFORMATION REQUESTED FOR ENERGY STORAGE RESOURCES

Energy storage capability (MWh): _____

Duration for full discharge (*i.e.*, injection) (Hours): _____

Duration for full charge (*i.e.*, withdrawal) (Hours): _____

Maximum withdrawal from the system (*i.e.*, when charging) (MW): _____

Inverter manufacturer, model name, number, and version: _____

Primary frequency response operating range for electric storage resource:

Minimum State of Charge: _____ (%) Maximum State of Charge: _____ (%)

ATTACHMENT A TO APPENDIX 1 – LFIP INTERCONNECTION REQUEST
Terms and Conditions of Interconnection Study(ies)

These terms and conditions for the study of a Large Generating Facility or Class Year Transmission Project, or a material modification to an existing Large Generating Facility or Class Year Transmission Project proposed in the Interconnection Request dated _____ (“the Project”) and submitted by _____, a _____ organized and existing under the laws of the State of _____ (“Developer”) sets forth the respective obligations between Developer and the New York Independent System Operator, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York (“NYISO”) (hereinafter the “Terms and Conditions”). By signing below, Developer confirms its understanding and acceptance of the Terms and Conditions.

RECITALS

WHEREAS, Developer is proposing to develop the Project; and

WHEREAS, the Project is already interconnected to the New York State Transmission System (or Distribution System, as applicable) or desires to interconnect the Large Facility with the New York State Transmission System (or Distribution System, as applicable); and

WHEREAS, Developer has requested NYISO to perform one or more of the following studies: Optional Interconnection Feasibility Study, Interconnection System Reliability Impact Study, or Optional Interconnection System Reliability Impact Study to assess the impact of the Project on the New York State Transmission System (or Distribution System, as applicable).and any Affected Systems.

Now, THEREFORE, in consideration of and subject to the terms and conditions contained herein, Developer and NYISO agree as follows:

- 1.0 When used in these Terms and Conditions, with initial capitalization, the terms specified shall have the meanings indicated in the NYISO’s Commission-approved Standard Large Facility Interconnection Procedures (“LFIP”).
- 2.0 Developer shall elect and NYISO shall cause to be performed, in accordance with the NYISO Open Access Transmission Tariff (“OATT”), one or more of the following: an Optional Interconnection Feasibility Study consistent with Section 30.6 of the LFIP, an Interconnection System Reliability Impact Study consistent with Section 30.7 of the LFIP, and an Optional Interconnection System Reliability Impact Study consistent with Section 30.10 of the LFIP, collectively referred to as the “Studies.” The terms of Sections 30.6, 30.7, 30.10, 30.13.1, and 30.13.3 of the LFIP, as applicable, are incorporated by reference herein.
- 3.0 The scopes for the Studies that Developer elects or is required to perform under its Interconnection Request and these Terms and Conditions shall be subject to the assumptions developed by Developer, NYISO, and the Connecting Transmission

Owner(s) at the respective scoping meetings for each Study and approved by NYISO Operating Committee.

- 4.0 The Studies shall be based on the technical information provided by Developer in the Interconnection Request, as may be modified as the result of the Scoping Meeting and completed study results, if performed and available. NYISO reserves the right to request additional information from Developer as may reasonably become necessary consistent with Good Utility Practice during the course of the Studies (including dynamic modeling data) and as designated in accordance with Section 30.3.3.4 of the LFIP and such additional information shall be provided in a prompt manner. If, after the designation of the Point of Interconnection pursuant to Section 30.3.3.4 of the LFIP, Developer modifies its Interconnection Request pursuant to Section 30.4.4, the time to complete the Studies may be extended.
- 5.0 Optional Interconnection Feasibility Study. If Developer elects to perform an Optional Interconnection Feasibility Study, the study report shall provide the following:
- If Developer elects to perform an Optional Interconnection Feasibility Study with a limited analysis (*i.e.*, \$10,000 study deposit), the study report shall provide, to the extent selected by Developer:
 - development of a conceptual breaker-level one-line diagram of existing NYS Transmission System or Distribution System where the Large Facility proposes to interconnect; and/or
 - a review of the feasibility/constructability of a conceptual breaker-level one-line diagram of the proposed interconnection (*e.g.*, space for additional breaker bay in existing substation or identification of cable routing concerns inside existing substation).
 - If Developer elects to perform an Optional Interconnection Feasibility Study with detailed analyses (*i.e.*, \$60,000 study deposit), the study report shall provide, to the extent selected by Developer:
 - development of conceptual breaker-level one-line diagram of existing NYS Transmission System or Distribution System where the Large Facility proposes to interconnect (*i.e.*, how to integrate the Large Facility into the existing system);
 - a review of the feasibility/constructability of a conceptual breaker-level one-line diagram of the proposed interconnection (*e.g.*, space for additional breaker bay in existing substation or identification of cable routing concerns inside existing substation);
 - preliminary review of local protection, communication, and grounding issues associated with the proposed interconnection;

- power flow, short circuit, and/or bus flow analyses; and/or
- preliminary identification of Connecting Transmission Owner Attachment Facilities and Local System Upgrade Facilities with a non-binding good faith cost estimate of Developer's cost responsibility and a non-binding good faith estimated time to construct.

6.0 Interconnection System Reliability Impact Study. The Interconnection System Reliability Impact Study report shall provide the following information:

- Identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
- description and non-binding, good faith estimated cost of facilities required to interconnect the Large Facility to the New York State Transmission System (or Distribution System, as applicable) and to address the identified short circuit, instability, and power flow issues; and
- ~~if Developer opts to skip the Optional Interconnection Feasibility Study or if Developer elects to include a preliminary non-binding evaluation under the Deliverability Interconnection Standard,~~ NYISO will supplement the information set forth above.
- if Developer is required to or elects to include a preliminary non-binding deliverability evaluation under the Deliverability Interconnection Standard pursuant to Section 30.7.3.2 of Attachment X to the OATT, the System Reliability Impact Study report shall also (1) identify, at a high level, potential System Deliverability Upgrades to make the facility fully deliverable for the full amount of requested CRIS; and (2) provide preliminary non-binding cost estimates for such potential System Deliverability Upgrades.

7.0 Optional Interconnection System Reliability Impact Study. If Developer elects to perform an Optional Interconnection System Reliability Impact Study, the study report shall provide a sensitivity analysis based on the assumptions specified by Developer in the scope for the Optional Interconnection System Reliability Impact Study developed in accordance with Section 3.0 of these Terms and Conditions. The Optional Interconnection System Reliability Impact Study will identify the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, and System Upgrade Facilities, and the estimated cost thereof, that may be required to provide Energy Resource Interconnection Service based upon the assumptions specified by Developer in the scope for the Optional Interconnection System Reliability Impact Study developed in accordance with Section 3.0 of these Terms and Conditions.

- 8.0 Developer shall provide a deposit in accordance with the LFIP for the performance of each study that Developer elected to be performed in connection with its Interconnection Request and under these Terms and Conditions. NYISO shall provide a good faith estimate for the time of completion for each of the studies elected or required to be performed in accordance with the LFIP.
- 8.1 Upon Developer's receipt of the final report for each study performed, NYISO shall charge and Developer shall pay to NYISO the actual costs of each respective study incurred by NYISO, as computed on a time and materials basis in accordance with the rates provided to the Developer at the time that NYISO provides the good faith estimate of the cost for each study elected or required to be performed in connection with the Interconnection Request and under these Terms and Conditions.
- 8.2 Any difference between the deposit for and the actual cost of any study performed under these Terms and Conditions shall be paid by or refunded to Developer, as appropriate.
- 9.0 Miscellaneous.
- 9.1 Accuracy of Information. Except as Developer may otherwise specify in writing when it provides information to NYISO under these Terms and Conditions, Developer represents and warrants that the information it provides to NYISO shall be accurate and complete as of the date the information is provided. Developer shall promptly provide NYISO with any additional information needed to update information previously provided.
- 9.2 Disclaimer of Warranty. In preparing the Studies, NYISO and any subcontractor consultants hired by it shall have to rely on information provided by Developer, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, neither NYISO nor any subcontractor consultant hired by NYISO makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy, content, or conclusions of the Studies performed under these Terms and Conditions. Developer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 9.3 Limitation of Liability. In no event shall NYISO or its subcontractor consultants be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with these Terms and Conditions or the Studies performed or any reliance on the Studies by Developer or third parties, even if NYISO or its subcontractor consultants have been advised of the possibility of such damages. Nor shall any NYISO or its subcontractor consultants be liable for any delay in delivery or for the non-

performance or delay in performance of its obligations under these Terms and Conditions.

- 9.4 Third-Party Beneficiaries. Without limitation of Sections 8.2 and 8.3 under these Terms and Conditions, Developer further agrees that subcontractor consultants hired by NYISO to conduct or review, or to assist in the conducting or reviewing, one or more of the Studies requested under the Interconnection Request shall be deemed third-party beneficiaries of these Sections 8.2 and 8.3 under these Terms and Conditions.
- 9.5 Term and Termination. The obligations to conduct the Studies and under these Terms and Conditions shall be effective from the date hereof and, unless earlier terminated under these Terms and Conditions, shall continue in effect until the Studies are completed (*i.e.*, approved by the NYISO Operating Committee, as applicable). Developer or NYISO may terminate their obligations under these Terms and Conditions upon the withdrawal of Developer's Interconnection Request under Section 30.3.6 of the LFIP.
- 9.6 Governing Law. These Terms and Conditions and any study performed thereunder shall be governed by and construed in accordance with the laws of the State of New York, without regard to any choice of laws provisions.
- 9.7 Severability. In the event that any part of these Terms and Conditions are deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from these Terms and Conditions and the obligations under these Terms and Conditions shall continue in full force and effect as if each part was not contained herein.
- 9.8 Amendment. No amendment, modification, or waiver of any term or condition hereof shall be effective unless set forth in writing and signed by Developer and NYISO hereto.
- 9.9 Survival. All warranties, limitations of liability, and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 9.10 Independent Contractor. Developer agrees that NYISO shall at all times be deemed to be an independent contractor and none of its employees or the employees of its subcontractors shall be considered to be employees of Developer as a result of performing any work under these Terms and Conditions.
- 9.11 No Implied Waivers. The failure of Developer or NYISO to insist upon or enforce strict performance of any of the provisions of these Terms and Conditions shall not be construed as a waiver or relinquishment to any extent of such party's right to insist or rely on any such provision, rights, and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.
- 9.12 Successors and Assigns. The obligations under these Terms and Conditions, and each and every term and condition hereof, shall be binding upon and inure to the

benefit of Developer and NYISO and their respective successors and assigns.

IN WITNESS THEREOF, Developer has agreed to accept and be bound by the Terms and Conditions by its duly authorized officers or agents execution on the day and year first below written.

[Insert name of Developer]

By: _____

Title: _____

Date: _____

APPENDIX 1-A TO LFIP – EXTERNAL CRIS RIGHTS REQUEST

1. The undersigned Entity (the “Requestor”) submits this request to obtain External CRIS Rights for the number of Megawatts (“MW”) of External ICAP specified below, pursuant to Section 25.7.11 of Attachment S to the ISO OATT and ISO Procedures.

2. The Requestor provides the following information:

2.1 _____ Years - The term of the requested Award Period (minimum five (5) years).

2.2 _____ MW of External CRIS requested for each month of Summer Capability Period. The same number of MW must be supplied for all months of each Summer Capability Period throughout the Award Period.

2.3 _____ MW of External CRIS requested each month of Winter Capability Period (cannot exceed MW committed for Summer Capability Period). None required, but if Requestor does commit MW to any month of Winter Capability Period, Requestor must specify months requested below.

____November ☐
____December ☐
____January ☐
____February ☐
____March ☐
____April ☐

2.4 The External Interface(s) to be used for the External ICAP:

3. A Requestor may request external CRIS rights by making either a contract commitment or a non-contract commitment for the award period. A requestor must indicate the type of its commitment, as follows:

3.1 _____ Contract commitment; or

3.2 _____ Non-contract commitment.

4. This External Rights Request shall be submitted to the ISO via the following email address:

NewProject@nyiso.com

5. Representative of the Requestor to contact, including phone number and e-mail address:

Name (type or print): _____

Title: _____

Company: _____

Address: _____

Email: _____

6. This External CRIS Rights Request is submitted by:

By (signature): _____

Name (type or print): _____

Title: _____

Company: _____

Date: _____

|

APPENDIX 2 to LFIP - ~~INTERCONNECTION FACILITIES~~ CLASS YEAR STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and among _____, a _____ organized and existing under the laws of the State of _____ (“Developer”), the New York Independent System Operator, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York (“NYISO”), and _____ a _____ organized and existing under the laws of the State of New York (“Connecting Transmission Owner”). Developer, NYISO and Connecting Transmission Owner each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Developer is [proposing to develop a Large Generating Facility or Class Year Transmission Project/proposing a capacity addition to an existing Generating Facility or Class Year Transmission Project consistent with the Interconnection Request submitted by the Developer dated _____, including any project modifications reviewed and approved by the NYISO /owns an existing or proposed facility requesting only Capacity Resource Interconnection Service (“CRIS”)/~~or~~ requesting an increase in Capacity Resource Interconnection Service (“CRIS”)]; and

WHEREAS, the NYISO has confirmed that the Developer has satisfied the eligibility requirements for entering a Class Year Interconnection Facilities Study (“Class Year Study”); and

WHEREAS, Developer has elected to enter an Interconnection Facilities Study in order to obtain [Energy Resource Interconnection Service (“ERIS”)/ERIS and Capacity Resource Interconnection Service (“CRIS”)/only Capacity Resource Interconnection Service (“/CRIS”) ~~only~~/an increase in Capacity Resource Interconnection Service (“CRIS”)] pursuant to Attachments S, X and Z to the NYISO’s Open Access Transmission Tariff (“OATT”), as applicable.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Section 30.1 of Attachment X to the NYISO’s OATT or Section 25.1.2 of Attachment S to the NYISO’s OATT.
- 2.0 Developer elects to be evaluated for [ERIS/ERIS and CRIS/CRIS only/an increase in CRIS] and NYISO shall cause to be performed an Interconnection Facilities Study consistent with Attachments S and X to the ISO OATT. The terms of the above-referenced OATT Attachments, as applicable, are hereby incorporated by reference herein.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0 For Developers seeking ERIS, the Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the facility to the New York State Transmission System (or Distribution System, as applicable) and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Reliability Impact Study. For Developers seeking CRIS, the Interconnection Facilities Study report (i) shall identify whether System Deliverability Upgrades are required for the facility to be fully deliverable at its requested level of ~~Capacity Resource Interconnection Service~~ CRIS; and (ii) shall provide a description and estimated cost of any required System Deliverability Upgrades, to the extent required, based on the Developer's election under Section 25.7.7.1 of Attachment S to the ISO OATT. For Developers seeking both ERIS and CRIS, the Interconnection Facilities Study report shall provide all of the information described in this Section 4.0.

5.0 The Developer shall provide a deposit of [\$100,000 if requesting evaluation for ERIS or ERIS and CRIS/\$50,000 if requesting only CRIS] for the performance of the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

NYISO shall invoice Developer on a monthly basis for the expenses incurred by NYISO and the Connecting Transmission Owner on the Interconnection Facilities Study each month, as computed on a time and materials basis in accordance with the rates attached hereto. Developer shall pay invoiced amounts to NYISO within thirty (30) Calendar Days of receipt of invoice. NYISO shall continue to hold the amounts on deposit until settlement of the final invoice.

6.0 Miscellaneous.

6.1 Accuracy of Information. Except as Developer or Connecting Transmission Owner may otherwise specify in writing when they provide information to NYISO under this Agreement, Developer and Connecting Transmission Owner each represent and warrant that the information it provides to NYISO shall be accurate and complete as of the date the information is provided. Developer and Connecting Transmission Owner shall each promptly provide NYISO with any additional information needed to update information previously provided.

6.2 Disclaimer of Warranty. In preparing the Interconnection Facilities Study, the Party preparing such study and any subcontractor consultants employed by it shall have to rely on information provided by the other Parties, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, neither the Party preparing the Interconnection Facilities Study nor any subcontractor consultant employed by that Party makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy, content, or conclusions of the Interconnection Facilities Study. Developer acknowledges that it has not relied

on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

- 6.3 **Limitation of Liability.** In no event shall any Party or its subcontractor consultants be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Agreement or the Interconnection Facilities Study or any reliance on the Interconnection Facilities Study by any Party or third parties, even if one or more of the Parties or its subcontractor consultants have been advised of the possibility of such damages. Nor shall any Party or its subcontractor consultants be liable for any delay in delivery or for the non-performance or delay in performance of its obligations under this Agreement.
- 6.4 **Third-Party Beneficiaries.** Without limitation of Sections 6.2 and 6.3 of this Agreement, Developer and Connecting Transmission Owner further agree that subcontractor consultants employed by NYISO to conduct or review, or to assist in the conducting or reviewing, an Interconnection Facilities Study shall be deemed third party beneficiaries of these Sections 6.2 and 6.3.
- 6.5 **Term and Termination.** This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section ~~30~~ 6.5, shall continue in effect until the later of (1) the Interconnection Facilities Study for Developer's facility is completed and approved by the NYISO Operating Committee; or (2) the Additional SDU Study, as applicable, is completed and approved by the NYISO Operating Committee. Developer or NYISO may terminate this Agreement upon the withdrawal of the Developer's project from the Interconnection Facilities Study pursuant to Section 25.7.7.1 of Attachment S.
- 6.6 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any choice of laws provisions.
- 6.7 **Severability.** In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 6.8 **Counterparts.** This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 6.9 **Amendment.** No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing signed by the Parties hereto.
- 6.10 **Survival.** All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 6.11 **Independent Contractor.** NYISO shall at all times be deemed to be an independent contractor and none of its employees or the employees of its

subcontractors shall be considered to be employees of Developer or Connecting Transmission Owner as a result of this Agreement.

6.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.

6.13 Successors and Assigns. This Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

New York Independent System Operator, Inc.

By: _____

Title: _____

Date: _____

[Insert name of Connecting Transmission Owner]

By: _____

Title: _____

Date: _____

[Insert name of Developer]

By: _____

Title: _____

Date: _____

Attachment A To Appendix 2 - Class Year ~~Interconnection Facilities~~ Study Agreement

**SCHEDULE FOR CONDUCTING THE
INTERCONNECTION FACILITIES STUDY**

The NYISO and Connecting Transmission Owner shall use Reasonable Efforts to complete the study and issue an Interconnection Facilities Study report to the Developer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- estimated completion date (*i.e.*, Operating Committee approval of the Class Interconnection Facilities Study) for Class Year 20__ Interconnection Facility Study for the Annual Transmission Reliability Assessment required by Attachment S to the ISO OATT: ____/____/_____, if no additional System Deliverability Upgrade studies are required.
- Study work (other than data provision and study review) that may be requested of the Transmission Owner by the NYISO is currently not specified, but will be specified in a Study Work Agreement to be developed between the NYISO and Transmission Owner.
- Pursuant to Article 5.0 of this Agreement, the rates for the study work are attached as Exhibit 1.

If Developer elects to proceed with an Additional SDU Study required for any identified SDUs for the project, the NYISO and Connecting Transmission Owner shall use Reasonable Efforts to complete the Additional SDU Study and issue an Additional SDU Study report to the Developer within the following number of days after Developers notice to the NYISO pursuant to Section 25.5.10 of Attachment S that it elects to proceed with an Additional SDU Study:

- estimated completion date (*i.e.*, Operating Committee approval of the Additional SDU Study): ____/____/_____.
- Additional SDU Study work (other than data provision and study review) that may be requested of the Connecting Transmission Owner by the NYISO is currently not specified, but will be specified in a Study Work Agreement to be developed between the NYISO and Connecting Transmission Owner.
- Pursuant to Article 5.0 of this Agreement, the rates for the study work for the Additional SDU Study are attached as Exhibit 1.

Attachment B To Appendix 2 - Interconnection Facilities Study Agreement

DATA FORM TO BE PROVIDED BY DEVELOPER

WITH THE INTERCONNECTION FACILITIES STUDY AGREEMENT

1. Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.
2. Finalize and specify your Interconnection Service evaluation election for the Class Year ~~Interconnection Facilities~~ Study. Developer should specify either Energy Resource Interconnection Service (“ERIS”) alone, both ERIS and some MW level of Capacity Resource Interconnection Service (“CRIS”) ~~not to exceed the nameplate capacity of your facility~~, or CRIS only (*e.g.*, if your facility is already interconnected taking only ERIS, you may elect to be evaluated for CRIS at a MW level you specify, not to exceed the nameplate capacity of your facility or, if your facility is already interconnected taking ERIS and CRIS, you may elect an increase of CRIS, not to exceed the nameplate capacity of your facility).
Evaluation election:

ERIS: _____

CRIS: _____

3. Proposed Schedule:

Begin Construction Date: _____

In-Service Date: _____

Initial Synchronization Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____

4. Additional Information Required as Part of this Data Form:

All facilities, including BTM:NG Resources and Class Year Transmission Projects, must also complete Section A, below.

Additional Information:

Nameplate MW: _____

Nameplate MVA: _____

Auxiliary Load MW: _____

Auxiliary Load MVAR: _____

For temperature sensitive units, provide MW vs. temp curves and indicate maximum summer and winter net capability below:

- Maximum summer net (net MW = gross MW minus auxiliary loads total MW) which can be achieved at 90 degrees F: _____
- Maximum winter net (net MW = gross MW minus auxiliary loads total MW) which can be achieved at 10 degrees F : _____

1. One set of metering is required for each generation connection to the new ring bus or existing Connecting Transmission Owner station. Number of generation connections: _____
2. On the one-line indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)
3. On the one-line indicate the location of auxiliary power. (Minimum load on CT/PT)
Amps
4. Will an alternate source of auxiliary power be available during CT/PT maintenance?
_____ Yes _____ No
5. Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? _____ Yes _____ No

(If yes, indicate on one-line diagram).

86. What type of control system or PLC will be located at the Developer's facility?

97. What protocol does the control system or PLC use?

108. Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

119. Physical dimensions of the proposed interconnection station:

1210. Bus length from generation to interconnection station:

1311. Line length from interconnection station to Connecting Transmission Owner's transmission line.

1412. Tower number observed in the field. (Painted on tower leg):

1513. Number of third-party easements required for transmission lines, if known:

1614. _____ In addition to the above information, as applicable, for BTM:NG Resources, please also provide the following information:

~~Interconnection Customer~~ Developer or Customer-Site Load: _____ kW (if none, so state)

Existing load? Yes ____ No ____

If existing load with metered load data, provide coincident Summer peak load: _____

If new load or existing load without metered load data, provide estimated coincident Summer peak load: _____

Is the new or existing load ~~facility~~ in the Transmission Owner's service area?

_____ Yes _____ No _____ Local
provider: _____

APPENDIX 2-A TO LFIP – FACILITIES STUDY AGREEMENT FOR EXTERNAL CRIS RIGHTS

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____ (“Requestor”), the New York Independent System Operator, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York (“NYISO”), and _____ a _____ organized and existing under the laws of the State of New York (“Connecting Transmission Owner”). Requestor, NYISO and Connecting Transmission Owner each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Requestor has, pursuant to Section 25.7.11 of Attachment S to the ISO OATT, requested External CRIS Rights for a specified number of MW of External CRIS; and

WHEREAS, NYISO has determined that Requestor has submitted a complete External CRIS Rights Request, in accordance with the applicable requirements of the NYISO Tariffs and ISO Procedures; and

WHEREAS, Requestor has requested NYISO and Connecting Transmission Owner to evaluate the specified number of MW of External ICAP in the currently Open Class Year Deliverability Study to specify the Deliverable MW for its External ICAP, and also to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the System Deliverability Upgrades required for External CRIS Rights.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meaning indicated herein, or in Attachment S or Attachment X to the ISO OATT, or in Article Z of the NYISO Services Tariff.
- 2.0 Requestor requests that NYISO and Connecting Transmission Owner evaluate the deliverability of Requestor’s External CRIS Rights in accordance with Section 25.7.11 of Attachment S to the ISO OATT. Requestor’s External CRIS Rights are not subject to, and shall not be evaluated by applying, the NYISO Minimum Interconnection Standard.
- 3.0 Requestor shall provide a deposit of \$50,000 for the performance of the Class Year ~~Interconnection Facilities~~ Study for its External CRIS Rights. The time for completion of the Class Year Deliverability Study is specified in Attachment A to this Agreement.

NYISO shall invoice Requestor on a monthly basis for the expenses incurred by

NYISO and Connecting Transmission Owner on the Class Year Deliverability Study for Requestor each month, as computed on a time and materials basis in accordance with the rates attached hereto. Requestor shall pay invoiced amount to NYISO within thirty (30) Calendar Days of receipt of invoice. NYISO shall continue to hold Requestor's deposit until settlement of the final invoice.

4.0 Miscellaneous

- 4.1 Accuracy of Information. Except as Requestor or Connecting Transmission Owner may otherwise specify in writing when they provide information to NYISO under this Agreement, Requestor and Connecting Transmission Owner each represent and warrant that the information it provides to NYISO shall be accurate and complete as of the date the information is provided. Requestor and Connecting Transmission Owner shall each promptly provide NYISO with any additional information needed to update information previously provided.
- 4.2 Disclaimer of Warranty. In preparing the Class Year Deliverability Study, the Party preparing such study and any subcontractor consultants employed by it shall have to rely on information provided by the other Parties, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, neither the Party preparing such study nor any subcontractor consultant employed by that Party makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy, content, or conclusions of the Class Year Deliverability Study for External ICAP. Requestor acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 4.3 Limitation of Liability. In no event shall any Party or its subcontractor consultants be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Agreement or the Class Year Deliverability Study for External ICAP, or any reliance on the Class Year Deliverability Study by any Party or third parties, even if one or more of the Parties or its subcontractor consultants have been advised of the possibility of such damages. Nor shall any Party or its subcontractor consultants be liable for any delay in delivery or for the non-performance or delay in performance of its obligations under this Agreement.
- 4.4 Third-Party Beneficiaries. Without limitation of Sections 4.2 and 4.3 of this Agreement, Requestor and Connecting Transmission Owner further agree that subcontractor consultants hired by NYISO to conduct or review, or to assist in the conducting or reviewing, a Class Year Deliverability Study shall be deemed third party beneficiaries of these Sections 4.2 and 4.3.

- 4.5 Terms and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 30.4.5, shall continue in effect until the Class Year Deliverability Study for Requestor's External CRIS Rights is completed and approved by the NYISO Operating Committee. Requestor or NYISO may terminate this Agreement upon the withdrawal of Requestor's External CRIS Rights Request under Section 25.7.11 of Attachment S to the ISO OATT or upon Developer's withdrawal from the Class Year ~~Interconnection Facilities~~ Study pursuant to Section 25.7.7.1 of Attachment S.
- 4.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any choice of laws provisions.
- 4.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 4.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 4.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing signed by the Parties hereto.
- 4.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 4.11 Independent Contractor. NYISO shall at all times be deemed to be an independent contractor and none of its employees or the employees of its subcontractors shall be considered to be employees of Requestor as a result of this Agreement.
- 4.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.
- 4.13 Successors and Assigns. This Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

New York Independent System Operator, Inc.

By: _____

Title: _____

Date: _____

[Insert name of Connecting Transmission Owner]

By: _____

Title: _____

Date: _____

[Insert name of Requestor]

By: _____

Title: _____

Date: _____

Attachment A To Facilities Study Agreement for External CRIS Rights

SCHEDULE FOR CONDUCTING THE FACILITIES STUDY FOR EXTERNAL CRIS Rights

NYISO and Connecting Transmission Owner shall use Reasonable Efforts to complete the study and issue a Class Year Deliverability Study report to Requestor within the following number of days after or receipt of an executed copy of this Agreement:

Estimated completion date for Class Year 20__ Deliverability Study required by Section 25.7.11 Attachment S to the ISO OATT: ____/____/_____, assuming no additional detailed studies are required to evaluate System Deliverability Upgrades.

**DATA FORM TO BE PROVIDED BY REQUESTOR
WITH THE FACILITIES STUDY AGREEMENT FOR EXTERNAL ICAP**

a. _____MW of External ICAP certified to be supplied for each month of Summer Capability Period. The same number of MW must be supplied for all months of each Summer Capability Period throughout the Award Period

b. _____MW of External ICAP certified to be supplied for each month of Winter Capability Period (cannot exceed MW committed for Summer Capability Period). None required, but if Requestor does commit MW to any month of Winter Capability Period, Requestor must specify months covered by commitment.

c. The External Interface(s) proposed to be used for the External ICAP.

OTHER ASSUMPTIONS

**Appendix 3 – STANDARD LARGE GENERATOR INTERCONNECTION
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(Applicable to Generating Facilities that exceed 20 MW)

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STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

("Agreement") is made and entered into this ____ day of _____ 20__, by and among _____, a [corporate description] organized and existing under the laws of the State/Commonwealth of _____ ("Developer" with a Large Generating Facility), the New York Independent System Operator, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York ("NYISO"), and _____ a [corporate description] organized and existing under the laws of the State of New York ("Connecting Transmission Owner"). Developer, the NYISO, or Connecting Transmission Owner each may be referred to as a "Party" or collectively referred to as the "Parties."

RECITALS

WHEREAS, NYISO operates the New York State Transmission System and Connecting Transmission Owner owns certain facilities included in the New York State Transmission System;

WHEREAS, Developer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Developer, NYISO, and Connecting Transmission Owner have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the New York State Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

ARTICLE 1. DEFINITIONS

Whenever used in this Agreement with initial capitalization, the following terms shall have the meanings specified in this Article 1. Terms used in this Agreement with initial capitalization that are not defined in this Article 1 shall have the meanings specified in Section 1 of the ISO OATT, Section 30.1 of Attachment X of the ISO OATT, Section 25.1.2 of Attachment S of the ISO OATT, the body of the LFIP or the body of this Agreement.

Affected System shall mean an electric system other than the transmission system owned, controlled or operated by the Connecting Transmission Owner that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affected Transmission Owner shall mean the New York public utility or authority (or its designated agent) other than the Connecting Transmission Owner that (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff, and (ii) owns, leases or otherwise possesses an interest in a portion of the New York State

Transmission System where System Deliverability Upgrades, System Upgrade Facilities, or Network Upgrade Facilities are or will be installed pursuant to Attachment P, Attachment X, Attachment Z, or Attachment S to the ISO OATT.

Affiliate shall mean, with respect to a person or entity, any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust or unincorporated organization, directly or indirectly controlling, controlled by, or under common control with, such person or entity. The term “control” shall mean the possession, directly or indirectly, of the power to direct the management or policies of a person or an entity. A voting interest of ten percent or more shall create a rebuttable presumption of control.

Ancillary Services shall mean those services that are necessary to support the transmission of Capacity and Energy from resources to Loads while maintaining reliable operation of the New York State Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority, including but not limited to Environmental Law.

Applicable Reliability Councils shall mean the NERC, the NPCC and the NYSRC.

Applicable Reliability Standards shall mean the requirements and guidelines of the Applicable Reliability Councils, and the Transmission District to which the Developer’s Large Generating Facility is directly interconnected, as those requirements and guidelines are amended and modified and in effect from time to time; provided that no Party shall waive its right to challenge the applicability or validity of any requirement or guideline as applied to it in the context of this Agreement.

Attachment Facilities shall mean the Connecting Transmission Owner’s Attachment Facilities and the Developer’s Attachment Facilities. Collectively, Attachment Facilities include all facilities and equipment between the Large Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Large Generating Facility to the New York State Transmission System. Attachment Facilities are sole use facilities and shall not include Stand Alone System Upgrade Facilities, Distribution Upgrades, System Upgrade Facilities or System Deliverability Upgrades.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by NYISO, Connecting Transmission Owner or Developer; described in Section 30.2.3 of the Standard Large Facility Interconnection Procedures.

Breach shall mean the failure of a Party to perform or observe any material term or condition of this Agreement.

Breaching Party shall mean a Party that is in Breach of this Agreement.

Business Day shall mean Monday through Friday, excluding federal holidays.

Byway shall mean all transmission facilities comprising the New York State Transmission System that are neither Highways nor Other Interfaces. All transmission facilities in Zone J and Zone K are Byways.

Calendar Day shall mean any day including Saturday, Sunday or a federal holiday.

Capacity Region shall mean one of four subsets of the Installed Capacity statewide markets comprised of (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), except for Class Year Interconnection Facility Studies conducted prior to Class Year 2012, for which “Capacity Region” shall be defined as set forth in Section 25.7.3 of Attachment S to the ISO OATT.

Capacity Resource Interconnection Service (“CRIS”) shall mean the service provided by NYISO to Developers that satisfy the NYISO Deliverability Interconnection Standard or that are otherwise eligible to receive CRIS in accordance with Attachment S to the ISO OATT; such service being one of the eligibility requirements for participation as a NYISO Installed Capacity Supplier.

Class Year Deliverability Study shall mean an assessment, conducted by the NYISO staff in cooperation with Market Participants, to determine whether System Deliverability Upgrades are required for Class Year CRIS Projects under the NYISO Deliverability Interconnection Standard.

Commercial Operation shall mean the status of a Large Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Large Generating Facility commences Commercial Operation as agreed to by the Parties, [notice of which must be provided to the NYISO in the form of](#) ~~pursuant to~~ Appendix E-2 to this Agreement.

Confidential Information shall mean any information that is defined as confidential by Article 22 of this Agreement.

Connecting Transmission Owner shall mean the New York public utility or authority (or its designated agent) that (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff, (ii) owns, leases or otherwise possesses an interest in the portion of the New York State Transmission System or Distribution System at the Point of Interconnection, and (iii) is a Party to this Agreement.

Connecting Transmission Owner’s Attachment Facilities shall mean all facilities and equipment owned, controlled or operated by the Connecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Connecting Transmission Owner’s Attachment Facilities are sole use facilities and shall not include Stand Alone System Upgrade Facilities, System Upgrade Facilities, or System Deliverability Upgrades.

Control Area shall mean an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to: (1) match, at all times, the power output of the Generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the Load within the electric power system(s); (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice; (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and (4) provide sufficient generating capacity to maintain Operating Reserves in accordance with Good Utility Practice. A Control Area must be certified by the NPCC.

Default shall mean the failure of a Party in Breach of this Agreement to cure such Breach in accordance with Article 17 of this Agreement.

Developer shall mean an Eligible Customer developing a Large Generating Facility, proposing to connect to the New York State Transmission System, in compliance with the NYISO Minimum Interconnection Standard.

Developer's Attachment Facilities shall mean all facilities and equipment, as identified in Appendix A of this Agreement, that are located between the Large Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Large Generating Facility to the New York State Transmission System. Developer's Attachment Facilities are sole use facilities.

Distribution System shall mean the Connecting Transmission Owner's facilities and equipment used to distribute electricity that are subject to FERC jurisdiction, and are subject to the NYISO's Large Facility Interconnection Procedures in Attachment X to the ISO OATT or Small Generator Interconnection Procedures in Attachment Z to the ISO OATT under FERC Order Nos. 2003 and/or 2006. The term Distribution System shall not include LIPA's distribution facilities.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Connecting Transmission Owner's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of a Large Facility or Small Generating Facility and render the transmission service necessary to affect the Developer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Attachment Facilities, System Upgrade Facilities, or System Deliverability Upgrades. Distribution Upgrades are sole use facilities and shall not include Stand Alone System Upgrade Facilities, System Upgrade Facilities, or System Deliverability Upgrades.

Effective Date shall mean the date on which this Agreement becomes effective upon execution by the Parties, subject to acceptance by the Commission, or if filed unexecuted, upon the date specified by the Commission.

Emergency State shall mean the condition or state that the New York State Power System is in when an abnormal condition occurs that requires automatic or immediate manual action to

prevent or limit loss of the New York State Transmission System or Generators that could adversely affect the reliability of the New York State Power System.

Energy Resource Interconnection Service (“ERIS”) shall mean the service provided by NYISO to interconnect the Developer’s Large Generating Facility to the New York State Transmission System or to the Distribution System in accordance with the NYISO Minimum Interconnection Standard, to enable the New York State Transmission System to receive Energy and Ancillary Services from the Large Generating Facility, pursuant to the terms of the ISO OATT.

Environmental Law shall mean Applicable Laws and Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a *et seq.* (“FPA”).

FERC shall mean the Federal Energy Regulatory Commission (“Commission”) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party’s control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Developer’s device for the production of electricity identified in the Interconnection Request, but shall not include the Developer’s Attachment Facilities or Distribution Upgrades.

Generating Facility Capacity shall mean the net seasonal capacity of the Generating Facility and the aggregate net seasonal capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to delineate acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over any of the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing

authority or power; provided, however, that such term does not include Developer, NYISO, Affected Transmission Owner, Connecting Transmission Owner, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Highway shall mean 115 kV and higher transmission facilities that comprise the following NYCA interfaces: Dysinger East, West Central, Volney East, Moses South, Central East/Total East, and UPNY-ConEd, and their immediately connected, in series, bulk power system facilities in New York State. Each interface shall be evaluated to determine additional “in series” facilities, defined as any transmission facility higher than 115 kV that (a) is located in an upstream or downstream zone adjacent to the interface and (b) has a power transfer distribution factor (DFAX) equal to or greater than five percent when the aggregate of generation in zones or systems adjacent to the upstream zone or zones that define the interface is shifted to the aggregate of generation in zones or systems adjacent to the downstream zone or zones that define the interface. In determining “in series” facilities for Dysinger East and West Central interfaces, the 115 kV and 230 kV tie lines between NYCA and PJM located in LBMP Zones A and B shall not participate in the transfer. Highway transmission facilities are listed in ISO Procedures.

Initial Synchronization Date shall mean the date upon which the Large Generating Facility is initially synchronized and upon which Trial Operation begins, [notice of which must be provided to the NYISO in the form of Appendix E-1](#).

In-Service Date shall mean the date upon which the Developer reasonably expects it will be ready to begin use of the Connecting Transmission Owner’s Attachment Facilities to obtain back feed power.

Interconnection Facilities Study shall mean a study conducted by NYISO or a third party consultant for the Developer to determine a list of facilities (including Connecting Transmission Owner’s Attachment Facilities, Distribution Upgrades, System Upgrade Facilities and System Deliverability Upgrades as identified in the Interconnection System Reliability Impact Study), the cost of those facilities, and the time required to interconnect the Large Generating Facility with the New York State Transmission System or with the Distribution System. The scope of the study is defined in Section 30.8 of the Standard Large Facility Interconnection Procedures.

Interconnection Facilities Study Agreement ([“Class Year Study Agreement”](#)) shall mean the form of agreement contained in Appendix 2 of the Standard Large Facility Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Request shall mean a Developer’s request, in the form of Appendix 1 to the Standard Large Facility Interconnection Procedures, in accordance with the Tariff, to interconnect a new Large Generating Facility to the New York State Transmission System or to

the Distribution System, or to materially increase the capacity of, or make a material modification to the operating characteristics of, an existing Large Generating Facility that is interconnected with the New York State Transmission System or with the Distribution System.

Interconnection Study shall mean any of the following studies: the Optional Interconnection Feasibility Study, the Interconnection System Reliability Impact Study, and the Interconnection Facilities Study described in the Standard Large Facility Interconnection Procedures.

Interconnection System Reliability Impact Study (“SRIS”) shall mean an engineering study, conducted in accordance with Section 30.7 of the Standard Large Facility Interconnection Procedures, that evaluates the impact of the proposed Large Generating Facility on the safety and reliability of the New York State Transmission System and, if applicable, an Affected System, to determine what Attachment Facilities, Distribution Upgrades and System Upgrade Facilities are needed for the proposed Large Generating Facility of the Developer to connect reliably to the New York State Transmission System or to the Distribution System in a manner that meets the NYISO Minimum Interconnection Standard in Attachment X to the ISO OATT.

IRS shall mean the Internal Revenue Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

~~Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Indemnified Party's performance or non-performance of its obligations under this Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.~~

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Large Generating Facility pursuant to this Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

New York State Transmission System shall mean the entire New York State electric transmission system, which includes (i) the Transmission Facilities Under ISO Operational Control; (ii) the Transmission Facilities Requiring ISO Notification; and (iii) all remaining transmission facilities within the New York Control Area.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with this Agreement or its performance.

NPCC shall mean the Northeast Power Coordinating Council or its successor organization.

NYISO Deliverability Interconnection Standard – The standard that must be met, unless otherwise provided for by Attachment S to the ISO OATT, by (i) any generation facility larger than 2MW in order for that facility to obtain CRIS; (ii) any Class Year Transmission Project; (iii) any entity requesting External CRIS Rights, and (iv) any entity requesting a CRIS transfer pursuant to Section 25.9.5 of Attachment S to the ISO OATT. To meet the NYISO Deliverability Interconnection Standard, the ~~Interconnection-Customer~~ [Developer](#) must, in accordance with the rules in Attachment S to the ISO OATT, fund or commit to fund any System Deliverability Upgrades identified for its project in the Class Year Deliverability Study.

NYISO Minimum Interconnection Standard – The reliability standard that must be met by any generation facility or Class Year Transmission Project that is subject to NYISO's Large Facility Interconnection Procedures in Attachment X to the ISO OATT or the NYISO's Small Generator Interconnection Procedures in Attachment Z, that is proposing to connect to the New York State Transmission System or Distribution System, to obtain ERIS. The Minimum Interconnection Standard is designed to ensure reliable access by the proposed project to the New York State Transmission System or to the Distribution System. The Minimum Interconnection Standard does not impose any deliverability test or deliverability requirement on the proposed interconnection.

NYSRC shall mean the New York State Reliability Council or its successor organization.

Other Interfaces shall mean the following interfaces into Capacity Regions: Lower Hudson Valley [*i.e.*, Rest of State (Load Zones A-F) to Lower Hudson Valley (Load Zones G, H and I)]; New York City [*i.e.*, Lower Hudson Valley (Load Zones G, H and I) to New York City (Load Zone J)]; and Long Island [*i.e.*, Lower Hudson Valley (Load Zones G, H and I) to Long Island (Load Zone K)], and the following Interfaces between the NYCA and adjacent Control Areas: PJM to NYISO, ISO-NE to NYISO, Hydro-Quebec to NYISO, and Norwalk Harbor (Connecticut) to Northport (Long Island) Cable.

Party or Parties shall mean NYISO, Connecting Transmission Owner, or Developer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to this Agreement, where the Developer's Attachment Facilities connect to the Connecting Transmission Owner's Attachment Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to this Agreement, where the Attachment Facilities connect to the New York State Transmission System or to the Distribution System.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under this Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Retired: A Generator that has permanently ceased operating on or after May 1, 2015 either: i) pursuant to applicable notice; or ii) as a result of the expiration of its Mothball Outage or its ICAP Ineligible Forced Outage.

Services Tariff shall mean the NYISO Market Administration and Control Area Tariff, as filed with the Commission, and as amended or supplemented from time to time, or any successor tariff thereto.

Stand Alone System Upgrade Facilities shall mean System Upgrade Facilities that a Developer may construct without affecting day-to-day operations of the New York State Transmission System during their construction. NYISO, the Connecting Transmission Owner and the Developer must agree as to what constitutes Stand Alone System Upgrade Facilities and identify them in Appendix A to this Agreement.

Standard Large Facility Interconnection Procedures (“Large Facility Interconnection Procedures” or “LFIP”) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in Attachment X of the ISO OATT.

Standard Large Generator Interconnection Agreement (“LGIA”) shall mean this Agreement, which is the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility, that is included in Appendix 63 to Attachment X of the ISO OATT.

System Deliverability Upgrades shall mean the least costly configuration of commercially available components of electrical equipment that can be used, consistent with Good Utility Practice and Applicable Reliability Requirements, to make the modifications or additions to Byways and Highways and Other Interfaces on the existing New York State Transmission System and Distribution System that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Deliverability Interconnection Standard at the requested level of Capacity Resource Interconnection Service.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to (1) protect the New York State Transmission System from faults or other electrical disturbances occurring at the Large Generating Facility and (2) protect the Large Generating Facility from faults or other electrical system disturbances occurring on the New York State Transmission System or on other delivery systems or other generating systems to which the New York State Transmission System is directly connected.

System Upgrade Facilities shall mean the least costly configuration of commercially available components of electrical equipment that can be used, consistent with Good Utility Practice and Applicable Reliability Requirements, to make the modifications to the existing transmission system that are required to maintain system reliability due to: (i) changes in the system, including such changes as load growth and changes in load pattern, to be addressed in the form of generic generation or transmission projects; and (ii) proposed interconnections. In the case of proposed interconnection projects, System Upgrade Facilities are the modifications or additions to the existing New York State Transmission System that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Minimum Interconnection Standard.

Tariff shall mean the NYISO Open Access Transmission Tariff (“OATT”), as filed with the Commission, and as amended or supplemented from time to time, or any successor tariff.

Trial Operation shall mean the period during which Developer is engaged in on-site test operations and commissioning of the Large Generating Facility prior to Commercial Operation.

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

2.1 Effective Date.

This Agreement shall become effective upon execution by the Parties, subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC. The NYISO and Connecting Transmission Owner shall promptly file this Agreement with FERC upon execution in accordance with Article 3-1.

2.2 Term of Agreement.

Subject to the provisions of Article 2.3, this Agreement shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as the Developer may request (*Term to be Specified in Individual Agreements*) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination.

2.3.1 Written Notice.

This Agreement may be terminated by the Developer after giving the NYISO and Connecting Transmission Owner ninety (90) Calendar Days advance written notice, or by the NYISO and Connecting Transmission Owner notifying FERC after the Large Generating Facility is Retired.

2.3.2 Default.

Any Party may terminate this Agreement in accordance with Article 17.

2.3.3 Compliance.

Notwithstanding Articles 2.3.1 and 2.3.2, no termination of this Agreement shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement, which notice has been accepted for filing by FERC.

2.4 Termination Costs.

If a Party elects to terminate this Agreement pursuant to Article 2.3.1 above, the terminating Party shall pay all costs incurred (including any cancellation costs relating to orders

or contracts for Attachment Facilities and equipment) or charges assessed by the other Parties, as of the date of the other Parties' receipt of such notice of termination, that are the responsibility of the terminating Party under this Agreement. In the event of termination by a Party, all Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this Agreement, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of the Connecting Transmission Owner's Attachment Facilities that have not yet been constructed or installed, the Connecting Transmission Owner shall to the extent possible and with Developer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Developer elects not to authorize such cancellation, Developer shall assume all payment obligations with respect to such materials, equipment, and contracts, and the Connecting Transmission Owner shall deliver such material and equipment, and, if necessary, assign such contracts, to Developer as soon as practicable, at Developer's expense. To the extent that Developer has already paid Connecting Transmission Owner for any or all such costs of materials or equipment not taken by Developer, Connecting Transmission Owner shall promptly refund such amounts to Developer, less any costs, including penalties incurred by the Connecting Transmission Owner to cancel any pending orders of or return such materials, equipment, or contracts.

If Developer terminates this Agreement, it shall be responsible for all costs incurred in association with Developer's interconnection, including any cancellation costs relating to orders or contracts for Attachment Facilities and equipment, and other expenses including any System Upgrade Facilities and System Deliverability Upgrades for which the Connecting Transmission Owner has incurred expenses and has not been reimbursed by the Developer.

2.4.2 Connecting Transmission Owner may, at its option, retain any portion of such materials, equipment, or facilities that Developer chooses not to accept delivery of, in which case Connecting Transmission Owner shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Attachment Facilities, and any other facilities already installed or constructed pursuant to the terms of this Agreement, Developer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection.

Upon termination of this Agreement, Developer and Connecting Transmission Owner will take all appropriate steps to disconnect the Developer's Large Generating Facility from the New York State Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

2.6 Survival.

This Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder; including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit Developer and Connecting Transmission Owner each to have access to the lands of the other pursuant to this Agreement or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS

NYISO and Connecting Transmission Owner shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Any information related to studies for interconnection asserted by Developer to contain Confidential Information shall be treated in accordance with Article 22 of this Agreement and Attachment F to the ISO OATT. If the Developer has executed this Agreement, or any amendment thereto, the Developer shall reasonably cooperate with NYISO and Connecting Transmission Owner with respect to such filing and to provide any information reasonably requested by NYISO and Connecting Transmission Owner needed to comply with Applicable Laws and Regulations.

ARTICLE 4. SCOPE OF INTERCONNECTION SERVICE

4.1 Provision of Service.

NYISO will provide Developer with interconnection service of the following type for the term of this Agreement.

4.1.1 Product.

NYISO will provide [] Interconnection Service to Developer at the Point of Interconnection.

4.1.2 Developer is responsible for ensuring that its actual Large Generating Facility output matches the scheduled delivery from the Large Generating Facility to the New York State Transmission System, consistent with the scheduling requirements of the NYISO's FERC-approved market structure, including ramping into and out of such scheduled delivery, as measured at the Point of Interconnection, consistent with the scheduling requirements of the ISO OATT and any applicable FERC-approved market structure.

4.2 No Transmission Delivery Service.

The execution of this Agreement does not constitute a request for, nor agreement to provide, any Transmission Service under the ISO OATT, and does not convey any right to deliver electricity to any specific customer or Point of Delivery. If Developer wishes to obtain Transmission Service on the New York State Transmission System, then Developer must request such Transmission Service in accordance with the provisions of the ISO OATT.

4.3 No Other Services.

The execution of this Agreement does not constitute a request for, nor agreement to provide Energy, any Ancillary Services or Installed Capacity under the NYISO Market Administration and Control Area Services Tariff (“Services Tariff”). If Developer wishes to supply Energy, Installed Capacity or Ancillary Services, then Developer will make application to do so in accordance with the NYISO Services Tariff.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

5.1 Options.

Unless otherwise mutually agreed to by Developer and Connecting Transmission Owner, Developer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below for completion of the Connecting Transmission Owner’s Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades as set forth in Appendix A hereto, and such dates and selected option shall be set forth in Appendix B hereto.

5.1.1 Standard Option.

The Connecting Transmission Owner shall design, procure, and construct the Connecting Transmission Owner’s Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades, using Reasonable Efforts to complete the Connecting Transmission Owner’s Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades by the dates set forth in Appendix B hereto. The Connecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Connecting Transmission Owner reasonably expects that it will not be able to complete the Connecting Transmission Owner’s Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades by the specified dates, the Connecting Transmission Owner shall promptly provide written notice to the Developer and NYISO, and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option.

If the dates designated by Developer are acceptable to Connecting Transmission Owner, the Connecting Transmission Owner shall so notify Developer and NYISO within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of the Connecting Transmission Owner’s Attachment Facilities by the designated dates. If Connecting Transmission Owner subsequently fails to complete Connecting Transmission Owner’s Attachment Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete System Upgrade Facilities or System Deliverability Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Developer and Connecting Transmission Owner for such Trial Operation; or fails to complete the System Upgrade Facilities and System

Deliverability Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B hereto; Connecting Transmission Owner shall pay Developer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Developer shall be extended day for day for each day that NYISO refuses to grant clearances to install equipment.

5.1.3 Option to Build.

If the dates designated by Developer are not acceptable to Connecting Transmission Owner, the Connecting Transmission Owner shall so notify the Developer and NYISO within thirty (30) Calendar Days, and unless the Developer and Connecting Transmission Owner agree otherwise, Developer shall have the option to assume responsibility for the design, procurement and construction of Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities on the dates specified in Article 5.1.2; provided that if an Attachment Facility or Stand Alone System Upgrade Facility is needed for more than one Developer's project, Developer's option to build such facility shall be contingent on the agreement of all other affected Developers. NYISO, Connecting Transmission Owner and Developer must agree as to what constitutes Stand Alone System Upgrade Facilities and identify such Stand Alone System Upgrade Facilities in Appendix A hereto. Except for Stand Alone System Upgrade Facilities, Developer shall have no right to construct System Upgrade Facilities under this option.

5.1.4 Negotiated Option.

If the Developer elects not to exercise its option under Article 5.1.3, Option to Build, Developer shall so notify Connecting Transmission Owner and NYISO within thirty (30) Calendar Days, and the Developer and Connecting Transmission Owner shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities by Developer) pursuant to which Connecting Transmission Owner is responsible for the design, procurement and construction of the Connecting Transmission Owner's Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades. If the two Parties are unable to reach agreement on such terms and conditions, Connecting Transmission Owner shall assume responsibility for the design, procurement and construction of the Connecting Transmission Owner's Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades pursuant to 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build.

If Developer assumes responsibility for the design, procurement and construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities, the following conditions apply:

5.2.1 Developer shall engineer, procure equipment, and construct the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities (or portions thereof) using Good Utility Practice and using standards and specifications provided in

advance by the Connecting Transmission Owner;

5.2.2 Developer's engineering, procurement and construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities shall comply with all requirements of law to which Connecting Transmission Owner would be subject in the engineering, procurement or construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities;

5.2.3 Connecting Transmission Owner shall review and approve the engineering design, equipment acceptance tests, and the construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities;

5.2.4 Prior to commencement of construction, Developer shall provide to Connecting Transmission Owner and NYISO a schedule for construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities, and shall promptly respond to requests for information from Connecting Transmission Owner or NYISO;

5.2.5 At any time during construction, Connecting Transmission Owner shall have the right to gain unrestricted access to the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities and to conduct inspections of the same;

5.2.6 At any time during construction, should any phase of the engineering, equipment procurement, or construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities not meet the standards and specifications provided by Connecting Transmission Owner, the Developer shall be obligated to remedy deficiencies in that portion of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities;

5.2.7 Developer shall indemnify Connecting Transmission Owner and NYISO for claims arising from the Developer's construction of Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities under procedures applicable to Article 18.1 Indemnity;

5.2.8 Developer shall transfer control of Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities to the Connecting Transmission Owner;

5.2.9 Unless the Developer and Connecting Transmission Owner otherwise agree, Developer shall transfer ownership of Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities to Connecting Transmission Owner;

5.2.10 Connecting Transmission Owner shall approve and accept for operation and maintenance the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

5.2.11 Developer shall deliver to NYISO and Connecting Transmission Owner "as built" drawings, information, and any other documents that are reasonably required by NYISO or Connecting Transmission Owner to assure that the Attachment Facilities and Stand Alone

System Upgrade Facilities are built to the standards and specifications required by Connecting Transmission Owner.

5.3 Liquidated Damages.

The actual damages to the Developer, in the event the Connecting Transmission Owner's Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades are not completed by the dates designated by the Developer and accepted by the Connecting Transmission Owner pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Developer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by the Connecting Transmission Owner to the Developer in the event that Connecting Transmission Owner does not complete any portion of the Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities or System Deliverability Upgrades by the applicable dates, shall be an amount equal to 1/2 of 1 percent per day of the actual cost of the Connecting Transmission Owner's Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades, in the aggregate, for which Connecting Transmission Owner has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of the Connecting Transmission Owner Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades for which the Connecting Transmission Owner has assumed responsibility to design, procure, and construct. The foregoing payments will be made by the Connecting Transmission Owner to the Developer as just compensation for the damages caused to the Developer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this Agreement. Liquidated damages, when the Developer and Connecting Transmission Owner agree to them, are the exclusive remedy for the Connecting Transmission Owner's failure to meet its schedule.

Further, Connecting Transmission Owner shall not pay liquidated damages to Developer if: (1) Developer is not ready to commence use of the Connecting Transmission Owner's Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades to take the delivery of power for the Developer's Large Generating Facility's Trial Operation or to export power from the Developer's Large Generating Facility on the specified dates, unless the Developer would have been able to commence use of the Connecting Transmission Owner's Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades to take the delivery of power for Developer's Large Generating Facility's Trial Operation or to export power from the Developer's Large Generating Facility, but for Connecting Transmission Owner's delay; (2) the Connecting Transmission Owner's failure to meet the specified dates is the result of the action or inaction of the Developer or any other Developer who has entered into a Standard Large Generator Interconnection Agreement with the Connecting Transmission Owner and NYISO, or action or inaction by any other Party, or any other cause beyond Connecting Transmission Owner's reasonable control or reasonable ability to cure; (3) the Developer has assumed responsibility for the design, procurement and construction of the Connecting Transmission Owner's Attachment Facilities and Stand Alone System Upgrade Facilities; or (4) the Connecting Transmission Owner and Developer have otherwise agreed. In

no event shall NYISO have any liability whatever to Developer for liquidated damages associated with the engineering, procurement or construction of Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades.

5.4 Power System Stabilizers.

The Developer shall procure, install, maintain and operate Power System Stabilizers in accordance with the requirements identified in the Interconnection Studies conducted for Developer's Large Generating Facility. NYISO and Connecting Transmission Owner reserve the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, the Developer shall immediately notify the Connecting Transmission Owner and NYISO. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement.

If responsibility for construction of the Connecting Transmission Owner's Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades is to be borne by the Connecting Transmission Owner, then the Connecting Transmission Owner shall commence design of the Connecting Transmission Owner's Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Developer and Connecting Transmission Owner otherwise agree in writing:

5.5.1 NYISO and Connecting Transmission Owner have completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2 The NYISO has completed the required cost allocation analyses, and Developer has accepted ~~his~~ its share of the costs for necessary System Upgrade Facilities and System Deliverability Upgrades in accordance with the provisions of Attachment S of the ISO OATT;

5.5.3 The Connecting Transmission Owner has received written authorization to proceed with design and procurement from the Developer by the date specified in Appendix B hereto; and

5.5.4 The Developer has provided security to the Connecting Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B hereto.

5.6 Construction Commencement.

The Connecting Transmission Owner shall commence construction of the Connecting Transmission Owner's Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any

facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the Connecting Transmission Owner's Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades;

5.6.3 The Connecting Transmission Owner has received written authorization to proceed with construction from the Developer by the date specified in Appendix B hereto; and

5.6.4 The Developer has provided security to the Connecting Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B hereto.

5.7 Work Progress.

The Developer and Connecting Transmission Owner will keep each other, and NYISO, advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from the Developer or Connecting Transmission Owner. If, at any time, the Developer determines that the completion of the Connecting Transmission Owner's Attachment Facilities will not be required until after the specified In-Service Date, the Developer will provide written notice to the Connecting Transmission Owner and NYISO of such later date upon which the completion of the Connecting Transmission Owner's Attachment Facilities will be required.

5.8 Information Exchange.

As soon as reasonably practicable after the Effective Date, the Developer and Connecting Transmission Owner shall exchange information, and provide NYISO the same information, regarding the design and compatibility of their respective Attachment Facilities and compatibility of the Attachment Facilities with the New York State Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Limited Operation.

If any of the Connecting Transmission Owner's Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Developer's Large Generating Facility, NYISO shall, upon the request and at the expense of Developer, in conjunction with the Connecting Transmission Owner, perform operating studies on a timely basis to determine the extent to which the Developer's Large Generating Facility and the Developer's Attachment Facilities may operate prior to the completion of the Connecting Transmission Owner's Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this Agreement. Connecting Transmission Owner and NYISO shall permit Developer to operate the Developer's Large Generating Facility and the Developer's Attachment Facilities in accordance with the results of such studies.

5.10 Developer's Attachment Facilities ("DAF").

Developer shall, at its expense, design, procure, construct, own and install the DAF, as set forth in Appendix A hereto.

5.10.1 DAF Specifications.

Developer shall submit initial specifications for the DAF, including System Protection Facilities, to Connecting Transmission Owner and NYISO at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Connecting Transmission Owner and NYISO shall review such specifications to ensure that the DAF are compatible with the technical specifications, operational control, and safety requirements of the Connecting Transmission Owner and NYISO and comment on such specifications within thirty (30) Calendar Days of Developer's submission. All specifications provided hereunder shall be deemed to be Confidential Information.

5.10.2 No Warranty.

The review of Developer's final specifications by Connecting Transmission Owner and NYISO shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the DAF. Developer shall make such changes to the DAF as may reasonably be required by Connecting Transmission Owner or NYISO, in accordance with Good Utility Practice, to ensure that the DAF are compatible with the technical specifications, operational control, and safety requirements of the Connecting Transmission Owner and NYISO.

5.10.3 DAF Construction.

The DAF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Developer and Connecting Transmission Owner agree on another mutually acceptable deadline, the Developer shall deliver to the Connecting Transmission Owner and NYISO "as-built" drawings, information and documents for the DAF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the DAF, plan and elevation drawings showing the layout of the DAF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Developer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the DAF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Developer shall provide to, and coordinate with, Connecting Transmission Owner and NYISO with respect to proposed specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Connecting Transmission Owner's Attachment Facilities Construction.

The Connecting Transmission Owner's Attachment Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty

(120) Calendar Days after the Commercial Operation Date, unless the Connecting Transmission Owner and Developer agree on another mutually acceptable deadline, the Connecting Transmission Owner shall deliver to the Developer “as-built” drawings, relay diagrams, information and documents for the Connecting Transmission Owner’s Attachment Facilities set forth in Appendix A.

The Connecting Transmission Owner [shall/shall not] transfer operational control of the Connecting Transmission Owner’s Attachment Facilities and Stand Alone System Upgrade Facilities to the NYISO upon completion of such facilities.

5.12 Access Rights.

Upon reasonable notice and supervision by the Granting Party, and subject to any required or necessary regulatory approvals, either the Connecting Transmission Owner or Developer (“Granting Party”) shall furnish to the other of those two Parties (“Access Party”) at no cost any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress at the Point of Interconnection to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the New York State Transmission System; (ii) operate and maintain the Large Generating Facility, the Attachment Facilities and the New York State Transmission System; and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this Agreement. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party’s business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party. The Access Party shall indemnify the Granting Party against all claims of injury or damage from third parties resulting from the exercise of the access rights provided for herein.

5.13 Lands of Other Property Owners.

If any part of the Connecting Transmission Owner’s Attachment Facilities and/or System Upgrade Facilities and/or System Deliverability Upgrades is to be installed on property owned by persons other than Developer or Connecting Transmission Owner, the Connecting Transmission Owner shall at Developer’s expense use efforts, similar in nature and extent to those that it typically undertakes for its own or affiliated generation, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove the Connecting Transmission Owner’s Attachment Facilities and/or System Upgrade Facilities and/or System Deliverability Upgrades upon such property.

5.14 Permits.

NYISO, Connecting Transmission Owner and the Developer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to

accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Connecting Transmission Owner shall provide permitting assistance to the Developer comparable to that provided to the Connecting Transmission Owner's own, or an Affiliate's generation, if any.

5.15 Early Construction of Base Case Facilities.

Developer may request Connecting Transmission Owner to construct, and Connecting Transmission Owner shall construct, subject to a binding cost allocation agreement reached in accordance with Attachment S to the ISO OATT, including Section 25.8.7 thereof, using Reasonable Efforts to accommodate Developer's In-Service Date, all or any portion of any System Upgrade Facilities or System Deliverability Upgrades required for Developer to be interconnected to the New York State Transmission System which are included in the Base Case of the Class Year ~~Interconnection Facilities~~ Study for the Developer, and which also are required to be constructed for another Developer, but where such construction is not scheduled to be completed in time to achieve Developer's In-Service Date.

5.16 Suspension.

Developer reserves the right, upon written notice to Connecting Transmission Owner and NYISO, to suspend at any time all work by Connecting Transmission Owner associated with the construction and installation of Connecting Transmission Owner's Attachment Facilities and/or System Upgrade Facilities and/or System Deliverability Upgrades required for only that Developer under this Agreement with the condition that the New York State Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and the safety and reliability criteria of Connecting Transmission Owner and NYISO. In such event, Developer shall be responsible for all reasonable and necessary costs and/or obligations in accordance with Attachment S to the ISO OATT including those which Connecting Transmission Owner (i) has incurred pursuant to this Agreement prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the New York State Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Connecting Transmission Owner cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Connecting Transmission Owner shall obtain Developer's authorization to do so.

Connecting Transmission Owner shall invoice Developer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Developer suspends work by Connecting Transmission Owner required under this Agreement pursuant to this Article 5.16, and has not requested Connecting Transmission Owner to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Connecting Transmission Owner and NYISO, if no effective date is specified.

5.17 Taxes.

5.17.1 Developer Payments Not Taxable.

The Developer and Connecting Transmission Owner intend that all payments or property transfers made by Developer to Connecting Transmission Owner for the installation of the Connecting Transmission Owner's Attachment Facilities and the System Upgrade Facilities and the System Deliverability Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants.

In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Developer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the New York State Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to the Connecting Transmission Owner for the Connecting Transmission Owner's Attachment Facilities will be capitalized by Developer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of the Connecting Transmission Owner's Attachment Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Connecting Transmission Owner's request, Developer shall provide Connecting Transmission Owner with a report from an independent engineer confirming its representation in clause (iii), above. Connecting Transmission Owner represents and covenants that the cost of the Connecting Transmission Owner's Attachment Facilities paid for by Developer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Connecting Transmission Owner.

Notwithstanding Article 5.17.1, Developer shall protect, indemnify and hold harmless Connecting Transmission Owner from the cost consequences of any current tax liability imposed against Connecting Transmission Owner as the result of payments or property transfers made by Developer to Connecting Transmission Owner under this Agreement, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Connecting Transmission Owner.

Connecting Transmission Owner shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Developer under this Agreement unless (i) Connecting Transmission Owner has determined, in good faith, that the payments or property

transfers made by Developer to Connecting Transmission Owner should be reported as income subject to taxation or (ii) any Governmental Authority directs Connecting Transmission Owner to report payments or property as income subject to taxation; provided, however, that Connecting Transmission Owner may require Developer to provide security, in a form reasonably acceptable to Connecting Transmission Owner (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Developer shall reimburse Connecting Transmission Owner for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Connecting Transmission Owner of the amount due, including detail about how the amount was calculated.

This indemnification obligation shall terminate at the earlier of (1) the expiration of the ten-year testing period and the applicable statute of limitation, as it may be extended by the Connecting Transmission Owner upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount.

Developer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Developer will pay Connecting Transmission Owner, in addition to the amount paid for the Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades, an amount equal to (1) the current taxes imposed on Connecting Transmission Owner ("Current Taxes") on the excess of (a) the gross income realized by Connecting Transmission Owner as a result of payments or property transfers made by Developer to Connecting Transmission Owner under this Agreement (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit the Connecting Transmission Owner to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Connecting Transmission Owner's composite federal and state tax rates at the time the payments or property transfers are received and Connecting Transmission Owner will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Connecting Transmission Owner's anticipated tax depreciation deductions as a result of such payments or property transfers by Connecting Transmission Owner's current weighted average cost of capital. Thus, the formula for calculating Developer's liability to Connecting Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value Depreciation Amount})) / (1 - \text{Current Tax Rate})$. Developer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law.

At Developer's request and expense, Connecting Transmission Owner shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Developer to Connecting Transmission Owner under this Agreement are subject to federal income taxation. Developer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Developer's knowledge. Connecting Transmission Owner and Developer shall cooperate in good faith with respect to the submission of such request.

Connecting Transmission Owner shall keep Developer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Developer to participate in all discussions with the IRS regarding such request for a private letter ruling. Connecting Transmission Owner shall allow Developer to attend all meetings with IRS officials about the request and shall permit Developer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events.

If, within 10 years from the date on which the relevant Connecting Transmission Owner Attachment Facilities are placed in service, (i) Developer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this Agreement terminates and Connecting Transmission Owner retains ownership of the Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades, the Developer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Connecting Transmission Owner, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests.

In the event any Governmental Authority determines that Connecting Transmission Owner's receipt of payments or property constitutes income that is subject to taxation, Connecting Transmission Owner shall notify Developer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Developer and at Developer's sole expense, Connecting Transmission Owner may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Developer's written request and sole expense, Connecting Transmission Owner may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Connecting Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Connecting Transmission Owner shall keep Developer informed, shall consider in good faith suggestions from Developer about the conduct of the contest, and shall reasonably permit Developer or an Developer representative to attend contest proceedings.

Developer shall pay to Connecting Transmission Owner on a periodic basis, as invoiced

by Connecting Transmission Owner, Connecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest, including any costs associated with obtaining the opinion of independent tax counsel described in this Article 5.17.7. The Connecting Transmission Owner may abandon any contest if the Developer fails to provide payment to the Connecting Transmission Owner within thirty (30) Calendar Days of receiving such invoice. At any time during the contest, Connecting Transmission Owner may agree to a settlement either with Developer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Connecting Transmission Owner, but reasonably acceptable to Developer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Developer's obligation shall be based on the amount of the settlement agreed to by Developer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. The Connecting Transmission Owner may also settle any tax controversy without receiving the Developer's consent or any such written advice; however, any such settlement will relieve the Developer from any obligation to indemnify Connecting Transmission Owner for the tax at issue in the contest (unless the failure to obtain written advice is attributable to the Developer's unreasonable refusal to the appointment of independent tax counsel).

5.17.8 Refund.

In the event that (a) a private letter ruling is issued to Connecting Transmission Owner which holds that any amount paid or the value of any property transferred by Developer to Connecting Transmission Owner under the terms of this Agreement is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Connecting Transmission Owner in good faith that any amount paid or the value of any property transferred by Developer to Connecting Transmission Owner under the terms of this Agreement is not taxable to Connecting Transmission Owner, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Developer to Connecting Transmission Owner are not subject to federal income tax, or (d) if Connecting Transmission Owner receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Developer to Connecting Transmission Owner pursuant to this Agreement, Connecting Transmission Owner shall promptly refund to Developer the following:

- (i) Any payment made by Developer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,
- (ii) Interest on any amounts paid by Developer to Connecting Transmission Owner for such taxes which Connecting Transmission Owner did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date payment was made by Developer to the date Connecting Transmission Owner refunds such payment to Developer, and
- (iii) With respect to any such taxes paid by Connecting Transmission Owner, any refund or credit Connecting Transmission Owner receives or to which it may be entitled from

any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to the Connecting Transmission Owner for such overpayment of taxes (including any reduction in interest otherwise payable by Connecting Transmission Owner to any Governmental Authority resulting from an offset or credit); provided, however, that Connecting Transmission Owner will remit such amount promptly to Developer only after and to the extent that Connecting Transmission Owner has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to the Connecting Transmission Owner's Attachment Facilities.

The intent of this provision is to leave both the Developer and Connecting Transmission Owner, to the extent practicable, in the event that no taxes are due with respect to any payment for Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes.

Upon the timely request by Developer, and at Developer's sole expense, Connecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Connecting Transmission Owner for which Developer may be required to reimburse Connecting Transmission Owner under the terms of this Agreement. Developer shall pay to Connecting Transmission Owner on a periodic basis, as invoiced by Connecting Transmission Owner, Connecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Developer and Connecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Developer to Connecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Developer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Connecting Transmission Owner.

5.18 Tax Status; Non-Jurisdictional Entities.

5.18.1 Tax Status.

Each Party shall cooperate with the other Parties to maintain the other Parties' tax status. Nothing in this Agreement is intended to adversely affect the tax status of any Party including the status of NYISO, or the status of any Connecting Transmission Owner with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds. Notwithstanding any other provisions of this Agreement, LIPA, NYPA and Consolidated Edison Company of New York, Inc. shall not be required to comply with any provisions of this Agreement that would result in the loss of tax-exempt status of any of their Tax-Exempt Bonds or impair their ability to issue future tax-exempt obligations. For purposes of this provision, Tax-Exempt Bonds shall include the obligations of the Long Island Power Authority, NYPA and Consolidated Edison Company of New York, Inc., the interest on which is not included in gross income under the Internal Revenue Code.

5.18.2 Non-Jurisdictional Entities.

LIPA and NYPA do not waive their exemptions, pursuant to Section 201(f) of the FPA, from Commission jurisdiction with respect to the Commission's exercise of the FPA's general ratemaking authority.

5.19 Modification.

5.19.1 General.

Either the Developer or Connecting Transmission Owner may undertake modifications to its facilities covered by this Agreement. If either the Developer or Connecting Transmission Owner plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party, and to NYISO, sufficient information regarding such modification so that the other Party and NYISO may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be Confidential Information hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party and NYISO at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Developer to submit an Interconnection Request, the NYISO shall provide, within sixty (60) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the New York State Transmission System, Connecting Transmission Owner's Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades necessitated by such Developer modification and a good faith estimate of the costs thereof. The Developer shall be responsible for the cost of any such additional modifications, including the cost of studying the impact of the Developer modification.

5.19.2 Standards.

Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this Agreement, NYISO requirements and Good Utility Practice.

5.19.3 Modification Costs.

Developer shall not be assigned the costs of any additions, modifications, or replacements that Connecting Transmission Owner makes to the Connecting Transmission Owner's Attachment Facilities or the New York State Transmission System to facilitate the interconnection of a third party to the Connecting Transmission Owner's Attachment Facilities or the New York State Transmission System, or to provide Transmission Service to a third party under the ISO OATT, except in accordance with the cost allocation procedures in Attachment S of the ISO OATT. Developer shall be responsible for the costs of any additions, modifications,

or replacements to the Developer's Attachment Facilities that may be necessary to maintain or upgrade such Developer's Attachment Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

ARTICLE 6. TESTING AND INSPECTION

6.1 Pre-Commercial Operation Date Testing and Modifications.

Prior to the Commercial Operation Date, the Connecting Transmission Owner shall test the Connecting Transmission Owner's Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades and Developer shall test the Large Generating Facility and the Developer's Attachment Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Developer and Connecting Transmission Owner shall each make any modifications to its facilities that are found to be necessary as a result of such testing. Developer shall bear the cost of all such testing and modifications. Developer shall generate test energy at the Large Generating Facility only if it has arranged for the injection of such test energy in accordance with NYISO procedures.

6.2 Post-Commercial Operation Date Testing and Modifications.

Developer and Connecting Transmission Owner shall each at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice and Applicable Reliability Standards as may be necessary to ensure the continued interconnection of the Large Generating Facility with the New York State Transmission System in a safe and reliable manner. Developer and Connecting Transmission Owner shall each have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing.

Developer and Connecting Transmission Owner shall each notify the other Party, and the NYISO, in advance of its performance of tests of its Attachment Facilities. The other Party, and the NYISO, shall each have the right, at its own expense, to observe such testing.

6.4 Right to Inspect.

Developer and Connecting Transmission Owner shall each have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Attachment Facilities, the System Protection Facilities and other protective equipment. NYISO shall have these same rights of inspection as to the facilities and equipment of Developer and Connecting Transmission Owner. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Attachment Facilities or the System Protection Facilities or other protective equipment or the

operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be treated in accordance with Article 22 of this Agreement and Attachment F to the ISO OATT.

ARTICLE 7. METERING

7.1 General.

Developer and Connecting Transmission Owner shall each comply with applicable requirements of NYISO and the New York Public Service Commission when exercising its rights and fulfilling its responsibilities under this Article 7. Unless otherwise agreed by the Connecting Transmission Owner and NYISO approved meter service provider and Developer, the Connecting Transmission Owner shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Net power flows including MW and MVAR, MWHR and loss profile data to and from the Large Generating Facility shall be measured at the Point of Interconnection. Connecting Transmission Owner shall provide metering quantities, in analog and/or digital form, as required, to Developer or NYISO upon request. Where the Point of Interconnection for the Large Generating Facility is other than the generator terminal, the Developer shall also provide gross MW and MVAR quantities at the generator terminal. Developer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 Check Meters.

Developer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Connecting Transmission Owner's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this Agreement, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Connecting Transmission Owner or its designee. The installation, operation and maintenance thereof shall be performed entirely by Developer in accordance with Good Utility Practice.

7.3 Standards.

Connecting Transmission Owner shall install, calibrate, and test revenue quality Metering Equipment including potential transformers and current transformers in accordance with applicable ANSI and PSC standards as detailed in the NYISO Control Center Communications Manual and in the NYISO Revenue Metering Requirements Manual.

7.4 Testing of Metering Equipment.

Connecting Transmission Owner shall inspect and test all of its Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by NYISO or Developer, Connecting Transmission Owner shall, at Developer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Connecting Transmission

Owner shall give reasonable notice of the time when any inspection or test shall take place, and Developer and NYISO may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Developer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Connecting Transmission Owner's failure to maintain, then Connecting Transmission Owner shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Connecting Transmission Owner shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Developer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment. The NYISO shall reserve the right to review all associated metering equipment installation on the Developer's or Connecting Transmission Owner's property at any time.

7.5 Metering Data.

At Developer's expense, the metered data shall be telemetered to one or more locations designated by Connecting Transmission Owner, Developer and NYISO. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

ARTICLE 8. COMMUNICATIONS

8.1 Developer Obligations.

In accordance with applicable NYISO requirements, Developer shall maintain satisfactory operating communications with Connecting Transmission Owner and NYISO. Developer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Developer shall also provide the dedicated data circuit(s) necessary to provide Developer data to Connecting Transmission Owner and NYISO as set forth in Appendix D hereto. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Connecting Transmission Owner and NYISO. Any required maintenance of such communications equipment shall be performed by Developer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit.

Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Developer, or by Connecting Transmission Owner at Developer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by

Connecting Transmission Owner and NYISO through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Connecting Transmission Owner and NYISO. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Connecting Transmission Owner and NYISO.

Each Party will promptly advise the appropriate other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by that other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation.

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Party providing such equipment and the Party receiving such equipment.

ARTICLE 9. OPERATIONS

9.1 General.

Each Party shall comply with Applicable Laws and Regulations and Applicable Reliability Standards. Each Party shall provide to the other Parties all information that may reasonably be required by the other Parties to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 NYISO and Connecting Transmission Owner Obligations.

Connecting Transmission Owner and NYISO shall cause the New York State Transmission System and the Connecting Transmission Owner's Attachment Facilities to be operated, maintained and controlled in a safe and reliable manner in accordance with this Agreement and the NYISO Tariffs. Connecting Transmission Owner and NYISO may provide operating instructions to Developer consistent with this Agreement, NYISO procedures and Connecting Transmission Owner's operating protocols and procedures as they may change from time to time. Connecting Transmission Owner and NYISO will consider changes to their respective operating protocols and procedures proposed by Developer.

9.3 Developer Obligations.

Developer shall at its own expense operate, maintain and control the Large Generating Facility and the Developer's Attachment Facilities in a safe and reliable manner and in accordance with this Agreement. Developer shall operate the Large Generating Facility and the Developer's Attachment Facilities in accordance with NYISO and Connecting Transmission Owner requirements, as such requirements are set forth or referenced in Appendix C hereto. Appendix C will be modified to reflect changes to the requirements as they may change from time to time. Any Party may request that the appropriate other Party or Parties provide copies of the requirements set forth or referenced in Appendix C hereto.

9.4 Start-Up and Synchronization.

Consistent with the mutually acceptable procedures of the Developer and Connecting Transmission Owner, the Developer is responsible for the proper synchronization of the Large Generating Facility to the New York State Transmission System in accordance with NYISO and Connecting Transmission Owner procedures and requirements.

9.5 Real and Reactive Power Control and Primary Frequency Response.

9.5.1 Power Factor Design Criteria.

9.5.1.1 Synchronous Generation. Developer shall design the Large Generating Facility to maintain effective composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging unless the NYISO or the Transmission Owner in whose Transmission District the Large Generating Facility interconnects has established different requirements that apply to all generators in the New York Control Area or Transmission District (as applicable) on a comparable basis, in accordance with Good Utility Practice.

The Developer shall design and maintain the plant auxiliary systems to operate safely throughout the entire real and reactive power design range.

9.5.1.2 Non-Synchronous Generation. Developer shall design the Large Generating Facility to maintain composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the NYISO or the Transmission Owner in whose Transmission District the Large Generating Facility interconnects has established a different power factor range that applies to all non-synchronous generators in the Control Area or Transmission District (as applicable) on a comparable basis, in accordance with Good Utility Practice. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnection non-synchronous generators that have not yet executed a Facilities Study Agreement as of September 21, 2016.

The Developer shall design and maintain the plant auxiliary systems to operate safely throughout the entire real and reactive power design range.

9.5.2 Voltage Schedules.

Once the Developer has synchronized the Large Generating Facility with the New York State Transmission System, NYISO shall require Developer to operate the Large Generating Facility to produce or absorb reactive power within the design capability of the Large Generating Facility set forth in Article 9.5.1 (Power Factor Design Criteria). NYISO's voltage schedules shall treat all sources of reactive power in the New York Control Area in an equitable and not unduly discriminatory manner. NYISO shall exercise Reasonable Efforts to provide Developer with such schedules in accordance with NYISO procedures, and may make changes to such schedules as necessary to maintain the reliability of the New York State Transmission System.

Developer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design capability of the Large Generating Facility set forth in Article 9.5.1 (Power Factor Design Criteria) as directed by the Connecting Transmission Owner's system operator or the NYISO. If Developer is unable to maintain the specified voltage or power factor, it shall promptly notify NYISO.

9.5.3 Payment for Reactive Power.

NYISO shall pay Developer for reactive power or voltage support service that Developer provides from the Large Generating Facility in accordance with the provisions of Rate Schedule 2 of the NYISO Services Tariff.

9.5.4 Voltage Regulators.

Whenever the Large Generating Facility is operated in parallel with the New York State Transmission System, the automatic voltage regulators shall be in automatic operation at all times. If the Large Generating Facility's automatic voltage regulators are not capable of such automatic operation, the Developer shall immediately notify NYISO, or its designated representative, and ensure that such Large Generating Facility's real and reactive power are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits and NYISO system operating (thermal, voltage and transient stability) limits. Developer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the New York State Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the New York Control Area on a comparable basis.

9.5.5 Primary Frequency Response.

Developer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Developer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved Applicable Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 and 61 Hz that are outside of the deadband parameter; or (2) based on an approved Applicable Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1)

without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved Applicable Reliability Standard providing for an equivalent or more stringent parameter. Developer shall notify NYISO that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Developer has synchronized the Large Generating Facility with the New York State Transmission System, Developer shall operate the Large Generating Facility consistent with the provisions specified in Articles 9.5.5.1 and 9.5.5.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.5.5.1 Governor or Equivalent Controls.

Whenever the Large Generating Facility is operated in parallel with the New York State Transmission System, Developer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Developer shall: (1) in coordination with NYISO, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved Applicable Reliability Standard that provides for equivalent or more stringent parameters. Developer shall be required to provide the status and settings of the governor and equivalent controls to NYISO and/or the Connecting Transmission Owner upon request. If Developer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Developer shall immediately notify NYISO and the Connecting Transmission Owner, and provide both with the following information: (1) the operating status of the governor or equivalent controls (*i.e.*, whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Developer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Developer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the New York State Transmission System.

9.5.5.2 Timely and Sustained Response.

Developer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Developer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. An

Applicable Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.5.5.3 Exemptions.

Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 9.5.5, 9.5.5.1, and 9.5.5.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (*i.e.*, the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability requirements in accordance with the droop and deadband capability requirements specified in Article 9.5.5, but shall be otherwise exempt from the operating requirements in Articles 9.5.5, 9.5.5.1, 9.5.5.2, and 9.5.5.4 of this Agreement.

9.5.5.4 Electric Storage Resources.

Developer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 9.5.5, 9.5.5.1, 9.5.5.2, and 9.5.5.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resources due to manufacturer specification; and (6) any other relevant factors agreed to by the NYISO, Connecting Transmission Owner, and Developer. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Developer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Article 9.5.5.2 of this Agreement when it is online and dispatched to inject electricity to the New York State Transmission System and/or receive electricity from the New York State Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the New York State Transmission System and/or dispatched to receive electricity from the New York State Transmission System. If Developer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Developer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.6 Outages and Interruptions.

9.6.1 Outages.

9.6.1.1 Outage Authority and Coordination.

Developer and Connecting Transmission Owner may each, in accordance with NYISO procedures and Good Utility Practice and in coordination with the other Party, remove from service any of its respective Attachment Facilities or System Upgrade Facilities and System Deliverability Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency State, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to both the Developer and the Connecting Transmission Owner. In all circumstances either Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.6.1.2 Outage Schedules.

The Connecting Transmission Owner shall post scheduled outages of its transmission facilities on the NYISO OASIS. Developer shall submit its planned maintenance schedules for the Large Generating Facility to Connecting Transmission Owner and NYISO for a minimum of a rolling thirty-six month period. Developer shall update its planned maintenance schedules as necessary. NYISO may direct, or the Connecting Transmission Owner may request, Developer to reschedule its maintenance as necessary to maintain the reliability of the New York State Transmission System. Compensation to Developer for any additional direct costs that the Developer incurs as a result of rescheduling maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost the Developer would have incurred absent the request to reschedule maintenance, shall be in accordance with the ISO OATT. Developer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, the Developer had modified its schedule of maintenance activities other than at the direction of the NYISO or request of the Connecting Transmission Owner.

9.6.1.3 Outage Restoration.

If an outage on the Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades of the Connecting Transmission Owner or Developer adversely affects the other Party's operations or facilities, the Party that owns the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns the facility that is out of service shall provide the other Party and NYISO, to the extent such information is known, information on the nature of the Emergency State, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.6.2 Interruption of Service. If required by Good Utility Practice or Applicable

Reliability Standards to do so, the NYISO or Connecting Transmission Owner may require Developer to interrupt or reduce production of electricity if such production of electricity could adversely affect the ability of NYISO and Connecting Transmission Owner to perform such activities as are necessary to safely and reliably operate and maintain the New York State Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.6.2:

9.6.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.6.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the New York State Transmission System;

9.6.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, NYISO or Connecting Transmission Owner shall notify Developer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.6.2.4 Except during the existence of an Emergency State, when the interruption or reduction can be scheduled without advance notice, NYISO or Connecting Transmission Owner shall notify Developer in advance regarding the timing of such scheduling and further notify Developer of the expected duration. NYISO or Connecting Transmission Owner shall coordinate with each other and the Developer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to the Developer, the Connecting Transmission Owner and the New York State Transmission System;

9.6.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Attachment Facilities, and the New York State Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.6.3 Under-Frequency and Over Frequency Conditions.

The New York State Transmission System is designed to automatically activate a load-shed program as required by the NPCC in the event of an under-frequency system disturbance. Developer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the NPCC to ensure “ride through” capability of the New York State Transmission System. Large Generating Facility response to frequency deviations of predetermined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the NYISO and Connecting Transmission Owner in accordance with Good Utility Practice. The term “ride through” as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the New York State Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and with NPCC Regional Reliability Reference Directory # 12, or its successor.

9.6.4 System Protection and Other Control Requirements.

9.6.4.1 System Protection Facilities. Developer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Developer's Attachment Facilities. Connecting Transmission Owner shall install at Developer's expense any System Protection Facilities that may be required on the Connecting Transmission Owner's Attachment Facilities or the New York State Transmission System as a result of the interconnection of the Large Generating Facility and Developer's Attachment Facilities.

9.6.4.2 The protection facilities of both the Developer and Connecting Transmission Owner shall be designed and coordinated with other systems in accordance with Good Utility Practice and Applicable Reliability Standards.

9.6.4.3 The Developer and Connecting Transmission Owner shall each be responsible for protection of its respective facilities consistent with Good Utility Practice and Applicable Reliability Standards.

9.6.4.4 The protective relay design of the Developer and Connecting Transmission Owner shall each incorporate the necessary test switches to perform the tests required in Article 6 of this Agreement. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of the Developer's Large Generating Facility.

9.6.4.5 The Developer and Connecting Transmission Owner will each test, operate and maintain System Protection Facilities in accordance with Good Utility Practice, NERC and NPCC criteria.

9.6.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, the Developer and Connecting Transmission Owner shall each perform, or their agents shall perform, a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, the Developer and Connecting Transmission Owner shall each perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.6.5 Requirements for Protection.

In compliance with NPCC requirements and Good Utility Practice, Developer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the New York State Transmission System not otherwise isolated by Connecting Transmission Owner's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the New York State Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the New York State

Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Developer and Connecting Transmission Owner. Developer shall be responsible for protection of the Large Generating Facility and Developer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Developer shall be solely responsible to disconnect the Large Generating Facility and Developer's other equipment if conditions on the New York State Transmission System could adversely affect the Large Generating Facility.

9.6.6 Power Quality.

Neither the facilities of Developer nor the facilities of Connecting Transmission Owner shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.7 Switching and Tagging Rules.

The Developer and Connecting Transmission Owner shall each provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a nondiscriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.8 Use of Attachment Facilities by Third Parties.

9.8.1 Purpose of Attachment Facilities.

Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Attachment Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the New York State Transmission System and shall be used for no other purpose.

9.8.2 Third Party Users.

If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Connecting Transmission Owner's Attachment Facilities, or any part thereof, Developer will be entitled to compensation for the capital expenses it incurred in connection with the Attachment Facilities based upon the pro rata use of the Attachment Facilities by Connecting Transmission Owner, all third party users, and Developer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Attachment Facilities, will be allocated between Developer and any third party users based upon the pro rata use of the Attachment Facilities by Connecting Transmission Owner, all third party users, and Developer, in accordance with Applicable Laws and Regulations or upon some other

mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.9 Disturbance Analysis Data Exchange.

The Parties will cooperate with one another and the NYISO in the analysis of disturbances to either the Large Generating Facility or the New York State Transmission System by gathering and providing access to any information relating to any disturbance, including information from disturbance recording equipment, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

9.10 Phasor Measurement Units

A Developer shall install and maintain, at its expense, phasor measurement units ("PMUs") if it meets the following criteria: (1) completed a Class Year after Class Year 2017; and (2) proposes a new Large Facility that either (a) has a maximum net output equal to or greater than 100 MW or (b) requires, as Attachment Facilities or System Upgrade Facilities, a new substation of 230kV or above.

PMUs shall be installed on the Large Facility on the low side of the generator step-up transformer, unless it is a non-synchronous generation facility, in which case the PMUs shall be installed on the Developer side of the Point of Interconnection. The PMUs must be capable of performing phasor measurements at a minimum of 60 samples per second which are synchronized via a high-accuracy satellite clock. To the extent Developer installs similar quality equipment, such as relays or digital fault recorders, that can collect data at least at the same rate as PMUs and which data is synchronized via a high-accuracy satellite clock, such equipment would satisfy this requirement.

Developer shall be required to install and maintain, at its expense, PMU equipment which includes the communication circuit capable of carrying the PMU data to a local data concentrator, and then transporting the information continuously to the Connecting Transmission Owner and the NYISO; as well as store the PMU data locally for thirty days. Developer shall provide to Connecting Transmission Owner and the NYISO all necessary and requested information through the Connecting Transmission Owner's and the NYISO's synchrophasor system, including the following: (a) gross MW and MVAR measured at the Developer side of the generator step-up transformer (or, for a non-synchronous generation facility, to be measured at the Developer side of the Point of Interconnection); (b) generator terminal voltage and current magnitudes and angles; (c) generator terminal frequency and frequency rate of change; and (d) generator field voltage and current, where available; and (e) breaker status, if available. The Connecting Transmission Owner will provide for the ongoing support and maintenance of the network communications linking the data concentrator to the Connecting Transmission Owner and the NYISO, consistent with ISO Procedures detailing the obligations related to SCADA data.

ARTICLE 10. MAINTENANCE

10.1 Connecting Transmission Owner Obligations.

Connecting Transmission Owner shall maintain its transmission facilities and Attachment Facilities in a safe and reliable manner and in accordance with this Agreement.

10.2 Developer Obligations.

Developer shall maintain its Large Generating Facility and Attachment Facilities in a safe and reliable manner and in accordance with this Agreement.

10.3 Coordination.

The Developer and Connecting Transmission Owner shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Attachment Facilities. The Developer and Connecting Transmission Owner shall keep NYISO fully informed of the preventive and corrective maintenance that is planned, and shall schedule all such maintenance in accordance with NYISO procedures.

10.4 Secondary Systems.

The Developer and Connecting Transmission Owner shall each cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of Developer or Connecting Transmission Owner's facilities and equipment which may reasonably be expected to impact the other Party. The Developer and Connecting Transmission Owner shall each provide advance notice to the other Party, and to NYISO, before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses.

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Developer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Developer's Attachment Facilities; and (2) operation, maintenance, repair and replacement of Connecting Transmission Owner's Attachment Facilities. The Connecting Transmission Owner shall be entitled to the recovery of incremental operating and maintenance expenses that it incurs associated with System Upgrade Facilities and System Deliverability Upgrades if and to the extent provided for under Attachment S to the ISO OATT.

ARTICLE 11. PERFORMANCE OBLIGATION

11.1 Developer's Attachment Facilities.

Developer shall design, procure, construct, install, own and/or control the Developer's Attachment Facilities described in Appendix A hereto, at its sole expense.

11.2 Connecting Transmission Owner's Attachment Facilities.

Connecting Transmission Owner shall design, procure, construct, install, own and/or control the Connecting Transmission Owner's Attachment Facilities described in Appendix A hereto, at the sole expense of the Developer.

11.3 System Upgrade Facilities and System Deliverability Upgrades.

Connecting Transmission Owner shall design, procure, construct, install, and own the System Upgrade Facilities and System Deliverability Upgrades described in Appendix A hereto. The responsibility of the Developer for costs related to System Upgrade Facilities and System Deliverability Upgrades shall be determined in accordance with the provisions of Attachment S to the ISO OATT.

11.4 Special Provisions for Affected Systems.

For the re-payment of amounts advanced to Affected System Operator for System Upgrade Facilities or System Deliverability Upgrades, the Developer and Affected System Operator shall enter into an agreement that provides for such re-payment, but only if responsibility for the cost of such System Upgrade Facilities or System Deliverability Upgrades is not to be allocated in accordance with Attachment S to the ISO OATT. The agreement shall specify the terms governing payments to be made by the Developer to the Affected System Operator as well as the re-payment by the Affected System Operator.

11.5 Provision of Security.

At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Connecting Transmission Owner's Attachment Facilities, Developer shall provide Connecting Transmission Owner, at Developer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Connecting Transmission Owner and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1 of this Agreement. Such security for payment shall be in an amount sufficient to cover the cost for the Developer's share of constructing, procuring and installing the applicable portion of Connecting Transmission Owner's Attachment Facilities, and shall be reduced on a dollar-for-dollar basis for payments made to Connecting Transmission Owner for these purposes.

In addition:

11.5.1 The guarantee must be made by an entity that meets the commercially reasonable creditworthiness requirements of Connecting Transmission Owner, and contains terms and conditions that guarantee payment of any amount that may be due from Developer, up to an

agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Connecting Transmission Owner and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Connecting Transmission Owner and must specify a reasonable expiration date.

11.5.4 Attachment S to the ISO OATT shall govern the Security that Developer provides for System Upgrade Facilities and System Deliverability Upgrades.

11.6 Developer Compensation for Emergency Services.

If, during an Emergency State, the Developer provides services at the request or direction of the NYISO or Connecting Transmission Owner, the Developer will be compensated for such services in accordance with the NYISO Services Tariff.

11.7 Line Outage Costs.

Notwithstanding anything in the ISO OATT to the contrary, the Connecting Transmission Owner may propose to recover line outage costs associated with the installation of Connecting Transmission Owner's Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades on a case-by-case basis.

ARTICLE 12. INVOICE

12.1 General.

The Developer and Connecting Transmission Owner shall each submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Developer and Connecting Transmission Owner may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts one Party owes to the other Party under this Agreement, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice.

Within six months after completion of the construction of the Connecting Transmission Owner's Attachment Facilities and the System Upgrade Facilities and System Deliverability Upgrades, Connecting Transmission Owner shall provide an invoice of the final cost of the construction of the Connecting Transmission Owner's Attachment Facilities and the System Upgrade Facilities and System Deliverability Upgrades, determined in accordance with Attachment S to the ISO OATT, and shall set forth such costs in sufficient detail to enable Developer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Connecting Transmission Owner shall refund to Developer any amount by which the actual payment by Developer for estimated costs exceeds the actual costs of

construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment.

Invoices shall be rendered to the paying Party at the address specified in Appendix F hereto. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices will not constitute a waiver of any rights or claims the paying Party may have under this Agreement.

12.4 Disputes.

In the event of a billing dispute between Connecting Transmission Owner and Developer, Connecting Transmission Owner shall continue to perform under this Agreement as long as Developer: (i) continues to make all payments not in dispute; and (ii) pays to Connecting Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Developer fails to meet these two requirements for continuation of service, then Connecting Transmission Owner may provide notice to Developer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's Regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

ARTICLE 13. EMERGENCIES

13.1 Obligations.

Each Party shall comply with the Emergency State procedures of NYISO, the applicable Reliability Councils, Applicable Laws and Regulations, and any emergency procedures agreed to by the NYISO Operating Committee.

13.2 Notice.

NYISO or, as applicable, Connecting Transmission Owner shall notify Developer promptly when it becomes aware of an Emergency State that affects the Connecting Transmission Owner's Attachment Facilities or the New York State Transmission System that may reasonably be expected to affect Developer's operation of the Large Generating Facility or the Developer's Attachment Facilities. Developer shall notify NYISO and Connecting Transmission Owner promptly when it becomes aware of an Emergency State that affects the Large Generating Facility or the Developer's Attachment Facilities that may reasonably be expected to affect the New York State Transmission System or the Connecting Transmission Owner's Attachment Facilities. To the extent information is known, the notification shall describe the Emergency State, the extent of the damage or deficiency, the expected effect on the operation of Developer's or Connecting Transmission Owner's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.3 Immediate Action.

Unless, in Developer's reasonable judgment, immediate action is required, Developer shall obtain the consent of Connecting Transmission Owner, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or the Developer's Attachment Facilities in response to an Emergency State either declared by NYISO, Connecting Transmission Owner or otherwise regarding New York State Transmission System.

13.4 NYISO and Connecting Transmission Owner Authority.

13.4.1 General.

NYISO or Connecting Transmission Owner may take whatever actions with regard to the New York State Transmission System or the Connecting Transmission Owner's Attachment Facilities it deems necessary during an Emergency State in order to (i) preserve public health and safety, (ii) preserve the reliability of the New York State Transmission System or the Connecting Transmission Owner's Attachment Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

NYISO and Connecting Transmission Owner shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or the Developer's Attachment Facilities. NYISO or Connecting Transmission Owner may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency State by taking actions necessary and limited in scope to remedy the Emergency State, including, but not limited to, directing Developer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.4.2; directing the Developer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and the Developer's Attachment Facilities. Developer shall comply with all of the NYISO and Connecting Transmission Owner's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.4.2 Reduction and Disconnection.

NYISO or Connecting Transmission Owner may reduce [] Interconnection Service or disconnect the Large Generating Facility or the Developer's Attachment Facilities, when such reduction or disconnection is necessary under Good Utility Practice due to an Emergency State. These rights are separate and distinct from any right of Curtailment of NYISO pursuant to the ISO OATT. When NYISO or Connecting Transmission Owner can schedule the reduction or disconnection in advance, NYISO or Connecting Transmission Owner shall notify Developer of the reasons, timing and expected duration of the reduction or disconnection. NYISO or Connecting Transmission Owner shall coordinate with the Developer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to the Developer and the New York State Transmission System. Any

reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Attachment Facilities, and the New York State Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.5 Developer Authority.

Consistent with Good Utility Practice and this Agreement, the Developer may take whatever actions or inactions with regard to the Large Generating Facility or the Developer's Attachment Facilities during an Emergency State in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or the Developer's Attachment Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Developer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the New York State Transmission System and the Connecting Transmission Owner's Attachment Facilities. NYISO and Connecting Transmission Owner shall use Reasonable Efforts to assist Developer in such actions.

13.6 Limited Liability.

Except as otherwise provided in Article 11.6 of this Agreement, no Party shall be liable to another Party for any action it takes in responding to an Emergency State so long as such action is made in good faith and is consistent with Good Utility Practice and the NYISO Tariffs.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

14.1 Regulatory Requirements.

Each Party's obligations under this Agreement shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this Agreement shall require Developer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 2005 or the Public Utility Regulatory Policies Act of 1978, as amended.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the state of New York, without regard to its conflicts of law principles.

14.2.2 This Agreement is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

ARTICLE 15. NOTICES

15.1 General.

Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given by a Party to the other Parties and any instrument required or permitted to be tendered or delivered by a Party in writing to the other Parties shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F hereto.

A Party may change the notice information in this Agreement by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments.

Billings and payments shall be sent to the addresses set out in Appendix F hereto.

15.3 Alternative Forms of Notice.

Any notice or request required or permitted to be given by a Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F hereto.

15.4 Operations and Maintenance Notice.

Developer and Connecting Transmission Owner shall each notify the other Party, and NYISO, in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10 of this Agreement.

ARTICLE 16. FORCE MAJEURE

16.1 Economic hardship is not considered a Force Majeure event.

16.2 A Party shall not be responsible or liable, or deemed, in Default with respect to any obligation hereunder, (including obligations under Article 4 of this Agreement) , other than the obligation to pay money when due, to the extent the Party is prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Parties in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

ARTICLE 17. DEFAULT

17.1 General.

No Breach shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act or omission of the other Parties. Upon a Breach, the non-Breaching Parties shall give written notice of such to the Breaching Party. The Breaching Party shall have thirty (30) Calendar Days from receipt of the Breach notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.2 Right to Terminate.

If a Breach is not cured as provided in this Article 17, or if a Breach is not capable of being cured within the period provided for herein, the non-Breaching Parties acting together shall thereafter have the right to declare a Default and terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not those Parties terminate this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which they are entitled at law or in equity. The provisions of this Article will survive termination of this Agreement.

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

18.1 Indemnity.

Each Party (the “Indemnifying Party”) shall at all times indemnify, defend, and save harmless, as applicable, the other Parties (each an “Indemnified Party”) from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, the alleged violation of any Environmental Law, or the release or threatened release of any Hazardous Substance, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties ([any and all of these a “Loss”](#)), arising out of or resulting from (i) the Indemnified Party’s performance of its obligations under this Agreement on behalf of the Indemnifying Party, except in cases where the Indemnifying Party can demonstrate that the Loss of the Indemnified Party was caused by the gross negligence or intentional wrongdoing of the Indemnified Party or (ii) the violation by the Indemnifying Party of any Environmental Law or the release by the Indemnifying Party of any Hazardous Substance.

18.1.1 Indemnified Party.

If a Party is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the ~~indemnifying~~ [Indemnifying](#) Party fails, after notice and reasonable opportunity to proceed under Article 18.1.3, to assume the defense of such claim, such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party.

If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Article 18, the amount owing to the ~~Indemnifying~~ Indemnified Party shall be the amount of such Indemnified Party's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures.

Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

Except as stated below, the Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if the Indemnified Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Party or Indemnified Parties having such differing or additional legal defenses.

The Indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be unreasonably withheld, conditioned or delayed.

18.2 No Consequential Damages.

Other than the liquidated damages heretofore described and the indemnity obligations set forth in Article 18.1, in no event shall any Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to another Party under separate

agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance.

Developer and Connecting Transmission Owner shall each, at its own expense, procure and maintain in force throughout the period of this Agreement and until released by the other Parties, the following minimum insurance coverages, with insurance companies licensed to write insurance or approved eligible surplus lines carriers in the state of New York with a minimum A.M. Best rating of A or better for financial strength, and an A.M. Best financial size category of VIII or better:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of New York State.

18.3.2 Commercial General Liability ("CGL") Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available using Insurance Services Office, Inc. Commercial General Liability Coverage ("ISO CG") Form CG 00 01 04 13 or a form equivalent to or better than CG 00 01 04 13, with minimum limits of Two Million Dollars (\$2,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 If applicable, the Commercial General Liability and Comprehensive Automobile Liability Insurance policies should include contractual liability for work in connection with constructions or demolition work on or within 50 feet of a railroad, or a separate Railroad Protective Liability Policy should be provided.

18.3.5 Excess Liability Insurance over and above the Employers' Liability, Commercial General Liability and Comprehensive Automobile Liability Insurance coverages, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence and Twenty Million Dollars (\$20,000,000) aggregate. The Excess policies should contain the same extensions listed under the Primary policies.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Liability Insurance policies of Developer and Connecting Transmission Owner shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insureds using ISO CG Endorsements: CG 20 33 04 13, and CG 20 37 04 13 or CG 20 10 04 13 and CG 20 37 04 13 or equivalent to or better forms. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this

Agreement against the Other Party Group and provide thirty (30) Calendar days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and non-contributory. Developer and Connecting Transmission Owner shall each be responsible for its respective deductibles or retentions.

18.3.8 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for at least three (3) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Developer and Connecting Transmission Owner.

18.3.9 If applicable, Pollution Liability Insurance in an amount no less than \$7,500,000 per occurrence and \$7,500,000 in the aggregate. The policy will provide coverage for claims resulting from pollution or other environmental impairment arising out of or in connection with work performed on the premises by the other party, its contractors and and/or subcontractors. Such insurance is to include coverage for, but not be limited to, cleanup, third party bodily injury and property damage and remediation and will be written on an occurrence basis. The policy shall name the Other Party Group as additional insureds, be primary and contain a waiver of subrogation.

18.3.10 The requirements contained herein as to the types and limits of all insurance to be maintained by the Developer and Connecting Transmission Owner are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by those Parties under this Agreement.

18.3.11 Within [insert term stipulated by the Parties] days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, Developer and Connecting Transmission Owner shall provide certificate of insurance for all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.

18.3.12 Notwithstanding the foregoing, Developer and Connecting Transmission Owner may each self-insure to meet the minimum insurance requirements of Articles 18.3.1 through 18.3.9 to the extent it maintains a self-insurance program; provided that, such Party's senior debt is rated at investment grade, or better, by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.1 through 18.3.9. . In the event that a Party is permitted to self-insure pursuant to this Article 18.3.12, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Articles 18.3.1 through 18.3.9 and provide evidence of such coverages. For any period of time that a Party's senior debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.12 through 18.3.9.

18.3.13 Developer and Connecting Transmission Owner agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

18.3.14 Subcontractors of each party must maintain the same insurance requirements stated under Articles 18.3.1 through 18.3.9 and comply with the Additional Insured requirements herein-. In addition, their policies must state that they are primary and non-contributory and contain a waiver of subrogation.

ARTICLE 19. ASSIGNMENT

This Agreement may be assigned by a Party only with the written consent of the other Parties; provided that a Party may assign this Agreement without the consent of the other Parties to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; provided further that a Party may assign this Agreement without the consent of the other Parties in connection with the sale, merger, restructuring, or transfer of a substantial portion or all of its assets, including the Attachment Facilities it owns, so long as the assignee in such a transaction directly assumes in writing all rights, duties and obligations arising under this Agreement; and provided further that the Developer shall have the right to assign this Agreement, without the consent of the NYISO or Connecting Transmission Owner, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that the Developer will promptly notify the NYISO and Connecting Transmission Owner of any such assignment. Any financing arrangement entered into by the Developer pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the NYISO and Connecting Transmission Owner of the date and particulars of any such exercise of assignment right(s) and will provide the NYISO and Connecting Transmission Owner with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

ARTICLE 20. SEVERABILITY

If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement; provided that if the Developer (or any third party, but only if such third party is not acting at the direction of the Connecting Transmission Owner) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the rights and obligations of Developer and Connecting Transmission Owner shall be governed solely by the Standard Option (Article 5.1.1).

ARTICLE 21. COMPARABILITY

The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

ARTICLE 22. CONFIDENTIALITY

22.1 Confidentiality.

Certain information exchanged by the Parties during the term of this Agreement shall constitute confidential information (“Confidential Information”) and shall be subject to this Article 22.

If requested by a Party receiving information, the Party supplying the information shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.2 Term.

During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.3 Confidential Information.

The following shall constitute Confidential Information: (1) any non-public information that is treated as confidential by the disclosing Party and which the disclosing Party identifies as Confidential Information in writing at the time, or promptly after the time, of disclosure; or (2) information designated as Confidential Information by the NYISO Code of Conduct contained in Attachment F to the ISO OATT.

22.4 Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 22.1.89 of this Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the

Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.5 Release of Confidential Information.

No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by FERC Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be considering providing financing to or equity participation with Developer, or to potential purchasers or assignees of a Party, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.6 Rights.

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Parties of Confidential Information shall not be deemed a waiver by any Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.7 No Warranties.

By providing Confidential Information, no Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to the other Parties nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.8 Standard of Care.

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other ~~Party~~ Parties under this Agreement or its regulatory requirements, including the ISO OATT and NYISO Services Tariff. The NYISO shall, in all cases, treat the information it receives in accordance with the requirements of Attachment F to the ISO OATT.

22.9 Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Parties with prompt notice of such request(s) or requirement(s) so that the other Parties may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to

obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.10 Termination of Agreement.

Upon termination of this Agreement for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Parties, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Parties) or return to the other Parties, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Parties pursuant to this Agreement.

22.11 Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Parties shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.12 Disclosure to FERC, its Staff, or a State.

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 C.F.R. section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement or the ISO OATT, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this Agreement prior to the release of the Confidential Information to the Commission or its staff. The Party shall notify the other Parties to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time the Parties may respond before such information would be made public, pursuant to 18 C.F.R. section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations. A Party shall not be liable for any losses, consequential or otherwise, resulting from that Party divulging Confidential Information pursuant to a FERC or state regulatory body request under this paragraph.

22.13 Required Notices Upon Requests or Demands for Confidential Information

Except as otherwise expressly provided herein, no Party shall disclose Confidential Information to any person not employed or retained by the Party possessing the Confidential Information, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this Agreement, the ISO OATT or the NYISO Services Tariff. Prior to any disclosures of a Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

ARTICLE 23. DEVELOPER AND CONNECTING TRANSMISSION OWNER NOTICES OF ENVIRONMENTAL RELEASES

Developer and Connecting Transmission Owner shall each notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Attachment Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

ARTICLE 24. INFORMATION REQUIREMENT

24.1 Information Acquisition.

Connecting Transmission Owner and Developer shall each submit specific information regarding the electrical characteristics of their respective facilities to the other, and to NYISO, as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Connecting Transmission Owner.

The initial information submission by Connecting Transmission Owner shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include New York State Transmission System information necessary to allow the Developer to select equipment and meet any system protection and stability requirements, unless otherwise mutually agreed to by the Developer and Connecting Transmission Owner. On a monthly basis Connecting Transmission Owner shall provide Developer and NYISO a status report on the construction and installation of Connecting Transmission Owner's Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last

report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Developer.

The updated information submission by the Developer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Developer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the Standard Large Facility Interconnection Procedures. It shall also include any additional information provided to Connecting Transmission Owner for the Interconnection Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with NYISO standard models. If there is no compatible model, the Developer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If the Developer's data is different from what was originally provided to Connecting Transmission Owner and NYISO pursuant to an Interconnection Study Agreement among Connecting Transmission Owner, NYISO and Developer and this difference may be reasonably expected to affect the other Parties' facilities or the New York State Transmission System, but does not require the submission of a new Interconnection Request, then NYISO will conduct appropriate studies to determine the impact on the New York State Transmission System based on the actual data submitted pursuant to this Article 24.3. Such studies will provide an estimate of any additional modifications to the New York State Transmission System, Connecting Transmission Owner's Attachment Facilities or System Upgrade Facilities or System Deliverability Upgrades based on the actual data and a good faith estimate of the costs thereof. The Developer shall not begin Trial Operation until such studies are completed. The Developer shall be responsible for the cost of any modifications required by the actual data, including the cost of any required studies.

24.4 Information Supplementation.

Prior to the Commercial Operation Date, the Developer and Connecting Transmission Owner shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Developer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Developer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if

information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to the Connecting Transmission Owner and NYISO for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, the Developer shall provide Connecting Transmission Owner and NYISO any information changes due to equipment replacement, repair, or adjustment. Connecting Transmission Owner shall provide the Developer and NYISO any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Connecting Transmission Owner substation that may affect the Developer Attachment Facilities equipment ratings, protection or operating requirements. The Developer and Connecting Transmission Owner shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

25.1 Information Access.

Each Party (“Disclosing Party”) shall make available to another Party (“Requesting Party”) information that is in the possession of the Disclosing Party and is necessary in order for the Requesting Party to: (i) verify the costs incurred by the Disclosing Party for which the Requesting Party is responsible under this Agreement; and (ii) carry out its obligations and responsibilities under this Agreement. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 of this Agreement and to enforce their rights under this Agreement.

25.2 Reporting of Non-Force Majeure Events.

Each Party (the “Notifying Party”) shall notify the other Parties when the Notifying Party becomes aware of its inability to comply with the provisions of this Agreement for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this Agreement.

25.3 Audit Rights.

Subject to the requirements of confidentiality under Article 22 of this Agreement, each Party shall have the right, during normal business hours, and upon prior reasonable notice to another Party, to audit at its own expense the other Party’s accounts and records pertaining to the other Party’s performance or satisfaction of its obligations under this Agreement. Such audit rights shall include audits of the other Party’s costs, calculation of invoiced amounts, and each Party’s actions in an Emergency State. Any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to the Party’s performance and satisfaction of obligations under this Agreement. Each Party shall keep such accounts and records for a period

equivalent to the audit rights periods described in Article 25.4 of this Agreement.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records.

Accounts and records related to the design, engineering, procurement, and construction of Connecting Transmission Owner's Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades shall be subject to audit for a period of twenty-four months following Connecting Transmission Owner's issuance of a final invoice in accordance with Article 12.2 of this Agreement.

25.4.2 Audit Rights Period for All Other Accounts and Records.

Accounts and records related to a Party's performance or satisfaction of its obligations under this Agreement other than those described in Article 25.4.1 of this Agreement shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results.

If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

ARTICLE 26. SUBCONTRACTORS

26.1 General.

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Parties for the performance of such subcontractor.

26.2 Responsibility of Principal.

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the NYISO or Connecting Transmission Owner be liable for the actions or inactions of the Developer or its subcontractors with respect to obligations of the Developer under Article 5 of this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance.

The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

ARTICLE 27. DISPUTES

27.1 Submission.

In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance (a "Dispute"), such Party shall provide the other Parties with written notice of the Dispute ("Notice of Dispute"). Such Dispute shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Parties. In the event the designated representatives are unable to resolve the Dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Parties' receipt of the Notice of Dispute, such Dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such Dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement.

27.2 External Arbitration Procedures.

Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the Dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. In each case, the arbitrator(s) shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Attachment

Facilities, System Upgrade Facilities, or System Deliverability Upgrades.

27.4 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel; or (2) one-third the cost of the single arbitrator jointly chosen by the Parties.

27.5 Termination.

Notwithstanding the provisions of this Article 27, any Party may terminate this Agreement in accordance with its provisions or pursuant to an action at law or equity. The issue of whether such a termination is proper shall not be considered a Dispute hereunder.

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS

28.1 General.

Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing.

Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Attachment Facilities and System Upgrade Facilities and System Deliverability Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

28.1.2 Authority.

Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict.

The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval.

Such Party has sought or obtained, or, in accordance with this Agreement will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.

ARTICLE 29. MISCELLANEOUS

29.1 Binding Effect.

This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties hereto.

29.2 Conflicts.

If there is a discrepancy or conflict between or among the terms and conditions of this cover agreement and the Appendices hereto, the terms and conditions of this cover agreement shall be given precedence over the Appendices, except as otherwise expressly agreed to in writing by the Parties.

29.3 Rules of Interpretation.

This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this Agreement or such Appendix to this Agreement, or such Section to the Standard Large Facility Interconnection Procedures or such Appendix to the Standard Large Facility Interconnection Procedures, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

29.4 Compliance.

Each Party shall perform its obligations under this Agreement in accordance with

Applicable Laws and Regulations, Applicable Reliability Standards, the ISO OATT and Good Utility Practice. To the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this Agreement for its compliance therewith. When any Party becomes aware of such a situation, it shall notify the other Parties promptly so that the Parties can discuss the amendment to this Agreement that is appropriate under the circumstances.

29.5 Joint and Several Obligations.

Except as otherwise stated herein, the obligations of NYISO, Developer and Connecting Transmission Owner are several, and are neither joint nor joint and several.

29.6 Entire Agreement.

This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

29.7 No Third Party Beneficiaries.

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and permitted their assigns.

29.8 Waiver.

The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or Default of this Agreement for any reason by the Developer shall not constitute a waiver of the Developer's legal rights to obtain Capacity Resource Interconnection Service and Energy Resource Interconnection Service from the NYISO and Connecting Transmission Owner in accordance with the provisions of the ISO OATT. Any waiver of this Agreement shall, if requested, be provided in writing.

29.9 Headings.

The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

29.10 Multiple Counterparts.

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

29.11 Amendment.

The Parties may by mutual agreement amend this Agreement, by a written instrument duly executed by all three of the Parties.

29.12 Modification by the Parties.

The Parties may by mutual agreement amend the Appendices to this Agreement, by a written instrument duly executed by all three of the Parties. Such an amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.

29.13 Reservation of Rights.

NYISO and Connecting Transmission Owner shall have the right to make unilateral filings with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Developer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

29.14 No Partnership.

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, any other Party.

29.15 Other Transmission Rights.

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, or transmission congestion rights that the Developer shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the System Upgrade Facilities and System Deliverability Upgrades.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

New York Independent System Operator, Inc.

By: _____

Name: _____

Title: _____

Date: _____

[Insert Name of Connecting Transmission Owner]

By: _____

Name: _____

Title: _____

Date: _____

[Insert Name of Developer]

By: _____

Name: _____

Title: _____

Date: _____

APPENDICES

Appendix A	Attachment Facilities and System Upgrade Facilities
Appendix B	Milestones
Appendix C	Interconnection Details
Appendix D	Security Arrangements Details
Appendix E-1	<u>Initial Synchronization Date</u>
<u>Appendix E-2</u>	Commercial Operation Date
Appendix F	Addresses for Delivery of Notices and Billings

APPENDIX A – ATTACHMENT FACILITIES AND SYSTEM UPGRADE FACILITIES

1. Attachment Facilities:

(a) [insert Developer's Attachment Facilities]:

(b) [insert Connecting Transmission Owner's Attachment Facilities]:

2. System Upgrade Facilities:

(a) [insert Stand Alone System Upgrade Facilities]:

(b) [insert Other System Upgrade Facilities]:

3. System Deliverability Upgrades:

APPENDIX B – MILESTONES

APPENDIX C – INTERCONNECTION DETAILS

APPENDIX D – SECURITY ARRANGEMENTS DETAILS

Infrastructure security of New York State Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day New York State Transmission System reliability and operational security. The Commission will expect the NYISO, all Transmission Owners, all Developers and all other Market Participants to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

APPENDIX E-1 – INITIAL SYNCHRONIZATION DATE

 [Date]

 [NYISO Address]

[Connecting Transmission Owner Address]

Re: Large Generating Facility

Dear :

On [Date] [Developer] initially synchronized the Large Generating Facility [specify units, if applicable]. This letter confirms that [Developer]'s Initial Synchronization Date was [specify].

 Thank you.

 [Signature]

 [Developer Representative]

APPENDIX E-2 – COMMERCIAL OPERATION DATE

[Date]

[NYISO Address]

[Connecting Transmission Owner Address]

Re: _____ Large Generating Facility

Dear _____:

On **[Date]** **[Developer]** has completed Trial Operation of Unit No. _____. This letter confirms that **[Developer]** commenced Commercial Operation of Unit No. ____ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Developer Representative]

APPENDIX F – ADDRESSES FOR DELIVERY OF NOTICES AND BILLINGS

Notices:

NYISO:

[To be supplied.]

Connecting Transmission Owner:

[To be supplied.]

Developer:

[To be supplied.]

Billings and Payments:

Connecting Transmission Owner:

[To be supplied.]

Developer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

NYISO:

[To be supplied.]

Connecting Transmission Owner:

[To be supplied.]

Developer:

[To be supplied.]

Appendix 7.4 – Interconnection Procedures for a Wind Generating Plant

Appendix 7.4 sets forth procedures specific to a wind generating plant. All other requirements of this LFIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Developer, in completing the Interconnection Request required by section 30.3.3 of this LFIP, may provide to the ISO a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LFIP. No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Developer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the ISO to complete the System Reliability Impact Study.

32.1 Application

32.1.1 Applicability

32.1.1.1 These Small Generator Interconnection Procedures (“SGIP”) apply to interconnections of Small Generating Facilities to the New York State Transmission System, and interconnections to the Distribution System subject to Federal Energy Regulatory Commission jurisdiction. These procedures do not apply to interconnections made simply to receive power from the New York State Transmission System and/or the Distribution System, nor to interconnections made solely for the purpose of generation with no wholesale sale for resale nor to net metering. These procedures do not apply to interconnections to LIPA’s distribution facilities. LIPA will continue to administer the interconnection process for generators connecting to its distribution facilities and perform all required studies on its distribution system under its own tariffs and procedures. Under these procedures, a request to interconnect a certified Small Generating Facility (See Appendices 3 and 4 for description of certification criteria) to the Connecting Transmission Owner’s Distribution System shall be evaluated under the Section 32.2 Fast Track Process if the eligibility requirements of Section 32.2.1 are met. A request to interconnect a certified inverter-based Small Generating Facility no larger than 10 kilowatts (kW) shall be evaluated under the Appendix 5 10 kW Inverter Process. A request to interconnect a Small Generating Facility no larger than 20 megawatts (MW) that does not meet the eligibility requirements of Section 32.2.1, or does not pass the Fast Track Process

or the 10 kW Inverter Process, shall be evaluated under the Section 32.3 Study Process.

32.1.1.2 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Appendix I or the body of these procedures. Capitalized terms used herein that are not defined in the Glossary of Terms in Appendix I or in the body of these procedures shall have the meanings specified in Section 32.1 or Attachment S or Attachment X of the ISO OATT.

32.1.1.3 Neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures, provided, however, that requests to interconnect Small Generating Facilities submitted after that effective date must be made pursuant to these procedures. These procedures shall apply to any existing interconnected Small Generating Facility to the extent that there is a material modification to the facility or the Interconnection Facility, if that facility as modified remains a Small Generating Facility.

32.1.1.4 Prior to submitting its Interconnection Request (Appendix 2), the Interconnection Customer may ask the ISO's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The ISO, after consultation with the appropriate Transmission Owner, shall respond within 15 Business Days. Upon request from the ISO, a Transmission Owner shall provide requested information to the ISO necessary to make this determination (*e.g.*, whether the proposed interconnection point is on a

distribution or transmission facility and if distribution, whether there is already one or more generators connecting to that facility making wholesale sales).

32.1.1.5 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all ISOs and RTOs, Connecting Transmission Owners, Market Participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

32.1.1.6 References in these procedures to an interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

32.1.1.7 A new Small Generating Facility wishing to sell Energy and Ancillary Services must first elect Energy Resource Interconnection Service and satisfy the NYISO Minimum Interconnection Standard, which does not impose any deliverability requirement. All new Small Generating Facilities must satisfy the NYISO Minimum Interconnection Standard.

A new Small Generating Facility larger than 2 MW wishing to become a qualified Installed Capacity Supplier in accordance with the ISO Services Tariff and related ISO Procedures must first elect Capacity Resource Interconnection Service ([“CRIS”](#)) and satisfy the NYISO Deliverability Interconnection Standard in addition to the NYISO Minimum

Interconnection Standard. A Small Generating Facility larger than 2 MW electing ~~Capacity Resource Interconnection Service~~[CRIS](#) must execute a Class Year Interconnection Facilities Study Agreement in the form of Appendix 2 to Attachment X of the ISO OATT and satisfy the requirements of Section 30.8.1 of Attachment X, as applicable. At that time, the Interconnection Customer must specify the MW of ~~Capacity Resource Interconnection Service~~[CRIS](#) that it is requesting. The ISO will then place the Small Generating Facility in the then Open Class Year and evaluate the Small Generating Facility for deliverability, as a Class Year Project, following the same rules and procedures in Attachment S to the ISO OATT applicable to other Class Year Projects being evaluated for deliverability. Inclusion in the Class Year will only be for the determination of System Deliverability Upgrade costs and Deliverable MW unless the Small Generating Facility is being included in the Class Year for the determination of System Upgrade Facility cost responsibility pursuant to Section 32.3.5.3.2 of the SGIP. For Small Generating Facilities interconnected or completely studied for interconnection before the projects in Class Year 2007, the ~~Capacity Resource Interconnection Service~~[CRIS](#) ~~capacity~~ level for those Small Generating Facilities will be set at the highest DMNC recorded during five Summer Capability periods measured in accordance with the rules set forth in Section 25.9.3.1 of Attachment S to the ISO OATT. Prior to the establishment of a Small Generating Facility's first DMNC value for a Summer Capability Period, the ~~Capacity Resource Interconnection Service~~[CRIS](#) ~~capacity~~ level will be set at the Small Generating Facility's nameplate MW. A Small Generating Facility 2 MW or smaller may elect ~~Capacity Resource Interconnection Service~~[CRIS](#) without being evaluated for deliverability under Attachment S to the ISO OATT. In all cases, the new Small Generating Facility will interconnect using the SGIA contained in this Attachment Z. Once it is established for them, Small Generating Facilities may retain their ~~Capacity Resource~~

~~Interconnection Service~~[CRIS](#) in accordance with the rules set forth in Section 25.9.3 of Attachment S to the ISO OATT.

32.1.2 Pre-Application

32.1.2.1 The ISO shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on the ISO's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, Interconnection Studies, Base Case Data and other materials useful to an understanding of an interconnection at a particular point on the New York State Transmission System or Distribution System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The ISO, with the required information about distribution facilities from the appropriate Connecting Transmission Owner, shall comply with reasonable requests for such information pursuant to this Section 32.1.2.

32.1.2.2 In addition to the information described in Section 32.1.2.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form along with a non-refundable fee of \$1000 for a pre-application report on a proposed project at a specific site. The pre-application fee shall be divided between the ISO and the Connecting Transmission Owner as follows: one-third to the ISO and two-thirds to the

Connecting Transmission Owner. Within two (2) Business Days of receiving the pre-application report request form, the ISO shall provide a copy of the pre-application request form to the appropriate Connecting Transmission Owner. The Connecting Transmission Owner shall return the pre-application report, completed to the extent required under this section 32.1.2.2 within fifteen (15) Business Days of receipt of the pre-application request form from the ISO. The ISO, with the required information about distribution facilities from the appropriate Connecting Transmission Owner, shall provide the pre-application data described in Section 32.1.2.3 to the Interconnection Customer within 20 Business Days of receipt of the completed request form and payment of the \$1000 fee. The pre-application report produced by the ISO, in consultation with the appropriate Connecting Transmission Owner, is non-binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Connecting Transmission Owner's system. The written pre-application report request form shall include the information in Sections 32.1.2.2.1 through 32.1.2.2.9 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

32.1.2.2.1 Project contact information, including name, address, phone number, and email address.

32.1.2.2.2 Project location (street address with nearby cross streets, town, and county).

32.1.2.2.3 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available ~~(e.g.,~~

- 32.1.2.2.4 Generator type (*e.g.*, solar, wind, combined heat and power, etc.).
- 32.1.2.2.5 Size (alternating current kW).
- 32.1.2.2.6 Single or three phase generator configuration.
- 32.1.2.2.7 Stand-alone generator (no outside load, not including station service – Yes or No?).
- 32.1.2.2.8 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.
- 32.1.2.2.9 Indication as to whether the requestor intends to use the facility to engage in wholesale sales over the New York State Transmission System or Distribution System.
- 32.1.2.3 Using the information provided in the pre-application report request form in Section 32.1.2.2, the ISO, in consultation with the appropriate Connecting Transmission Owner, will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by the ISO, in consultation with the appropriate Connecting Transmission Owner, does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. The Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. The ISO, in consultation with the Connecting Transmission Owner, shall determine whether the proposed interconnection is subject to the interconnection procedures set forth in this Attachment Z of the ISO OATT. If the pre-application report request form seeks

information about a Point of Interconnection that is not subject to the interconnection procedures set forth in this Attachment Z of the ISO OATT, the Connecting Transmission Owner Customer shall follow the applicable state tariff, rules or procedures regarding generator interconnections. Subject to Section 32.1.2.4, the pre-application report will include the following information:

- 32.1.2.3.1 Total capacity (in MW) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.
- 32.1.2.3.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (*i.e.*, amount of generation online) likely to serve the proposed Point of Interconnection.
- 32.1.2.3.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (*i.e.*, amount of generation in the queue) likely to serve the proposed Point of Interconnection.
- 32.1.2.3.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (*i.e.*, total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).
- 32.1.2.3.5 Substation nominal distribution voltage and/or transmission line nominal voltage if applicable.
- 32.1.2.3.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.
- 32.1.2.3.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.

- 32.1.2.3.8 Relevant line section(s)/station(s) actual or estimated peak load and minimum load data, including daytime minimum load as described in Section 32.2.4.4.1.1 below and absolute minimum load, when available.
- 32.1.2.3.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.
- 32.1.2.3.10 Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.
- 32.1.2.3.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.
- 32.1.2.3.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.
- 32.1.2.3.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.
- 32.1.2.4 The pre-application report need only include existing data. A pre-application report request does not obligate the ISO or the Connecting Transmission Owner to conduct a study or other analysis of the proposed generator in the event the data is not readily available. If the ISO, in consultation with the Connecting Transmission Owner, cannot complete all or some of a pre-application report due to lack of available data, the ISO shall provide the

Interconnection Customer with a pre-application report that includes the data that is available. The provision of information on “available capacity” pursuant to Section 32.1.2.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this section, the ISO, in consultation with the Connecting Transmission Owner, shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

32.1.3 Interconnection Request

An Interconnection Customer proposing to interconnect a new Small Generating Facility to the New York State Transmission System or to the Distribution System, or proposing to materially increase the capacity of, or make a material modification to the operating characteristics of, an existing Small Generating Facility that is interconnected to the New York State Transmission System or to the Distribution System shall submit its Interconnection Request to the ISO together with a non-refundable \$1,000 application fee. The application fee shall be divided equally between the NYISO and Connecting Transmission Owner(s). An Interconnection Customer seeking to return a Small Generating Facility to service after it is Retired must submit a new Interconnection Request as a new facility. An Interconnection Customer returning a Small Generating Facility to service prior to the expiration or termination of its Mothball Outage or ICAP Ineligible Forced Outage need not submit a new Interconnection Request unless the Small Generating Facility is proposing to materially increase the capacity of,

or make a material modification to the operating characteristics of, an existing Small Generating Facility such as would otherwise trigger a new Interconnection Request.

An increase in the capacity of an existing Small Generating Facility is a material increase for purposes of this Section 32.1.3 unless the increase (a) is not associated with any equipment changes or is associated with equipment changes determined by the ISO to be non-material; and (b) is an increase in the Small Generating Facility's baseline ERIS level that is equal to or less than two (2) megawatts and which provides for a total output of the Small Generating Facility of no more than twenty (20) megawatts. For purposes of this Section 32.1.3, the baseline ERIS level of an existing Small Generating Facility is (a) the greater of (i) the existing Small Generating Facility's CRIS level determined as a facility pre-dating Class Year 2007 pursuant to Section 25.9.3.1 of Attachment S of the OATT, if applicable; or (ii) the final maximum summer megawatt electrical output studied for ERIS in the ISO's interconnection process for the existing Small Generating Facility; or (b) if neither (a)(i) nor (a)(ii) are applicable, the baseline ERIS level is the value reflected in the Small Generating Facility's interconnection agreement or other applicable documentation governing the Small Generating Facility's interconnection; however, if the Small Generating Facility has requested a modification to its facility to decrease its size, and such modification has been deemed nonmaterial by the ISO, the decreased MW level will be a cap on its baseline ERIS. If the existing Small Generating Facility is a BTM:NG Resource, the increase in existing capacity will be measured based on the increase from the existing gross capability of the generator to the proposed gross capability. Notwithstanding the above, if the existing Small Generating Facility is a temperature sensitive unit, the maximum capacity of which varies based on ambient temperature, the increase in existing capacity will be measured based on the largest increase from the existing capacity to the proposed capacity at the same

temperature, *i.e.*, at the same temperature along the maximum megawatt electrical output versus temperature curves.

The Interconnection Request shall be date- and time-stamped by the ISO upon receipt and a copy shall be sent by the ISO to the Connecting Transmission Owner. The ISO's date- and time-stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the ISO within three Business Days of receiving the Interconnection Request. The ISO, after consulting with the Connecting Transmission Owner, shall notify the Interconnection Customer within ten Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, the ISO shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. The Interconnection Customer will have ten Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to the ISO.

32.1.3.1 If the Interconnection Request is to interconnect to a distribution facility, the ISO will consult with the Connecting Transmission Owner to determine whether the SGIPs apply.

32.1.3.2 The expected Commercial Operation Date of the new Small Generating Facility or proposed increase in capacity of the existing Small Generating Facility

provided in the Interconnection Request shall be no more than ten (10) years from the date the Interconnection Request is received by the ISO. Extensions of Commercial Operation Dates for Small Generating Facilities are subject to the provisions of Section 30.4.4.5 of Attachment X to the OATT.

32.1.4 Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by the ISO, the Connecting Transmission Owner, and the Interconnection Customer shall be deemed a withdrawal of the Interconnection Request and shall require submission of a new Interconnection Request, unless, following notification by the ISO, the Interconnection Customer cures the problems created by the changes in a reasonable period of time.

32.1.5 Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

- 32.1.5.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;
- 32.1.5.2 An option to purchase or acquire a leasehold site for such purpose; or
- 32.1.5.3 An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

32.1.6 Queue Position

The ISO shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the order of initiating Interconnection Studies, and the study assumptions to be used in the analyses conducted under Section 32.2 and Section 32.3 of these procedures. Provided, however, Attachment S of the ISO OATT will be used to determine the cost responsibility for any System Upgrade Facilities or System Deliverability Upgrades necessary to accommodate the interconnection, as required by Section 32.3.5.3.2 of these procedures. The ISO shall maintain a single interconnection queue that combines Interconnection Requests evaluated under these procedures and those evaluated under Attachment X to the OATT. Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study or facilities study. The ISO may evaluate Small Generating Facilities moving forward in the same time frame that contribute to Local System Upgrade Facilities to determine their *pro rata* cost responsibility for such Local System Upgrade Facilities. Small Generating Facilities evaluated in a cluster study that trigger non-Local System Upgrade Facilities must be evaluated in a Class Year Interconnection Facilities Study pursuant to Section 32.3.5.3.2 of this Attachment Z.

32.1.7 Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position assigned before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior to the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Any new studies or additional work will be completed pursuant to this SGIP.

32.3 Study Process

32.3.1 General Provisions

32.3.1.1 Except as otherwise provided in the SGIPs, the Section 32.3 Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the New York State Transmission System or Distribution System if the Small Generating Facility is no larger than 20 MW and does not meet the eligibility requirements of Section 32.2.1 or did not pass the Fast Track Process or the 10 kW Inverter Process.

32.3.1.2 The Interconnection Studies conducted under these procedures shall consist of analyses designed to identify the Interconnection Facilities and Upgrades required for the reliable interconnection of the Small Generating Facility to the New York State Transmission System or the Distribution System. These Interconnection Studies will be performed in accordance with Applicable Reliability Standards. The ISO will perform, or cause to be performed, the Interconnection Studies with input, as required, from the Connecting Transmission Owner.

32.3.2 Scoping Meeting

32.3.2.1 A scoping meeting will be held within ten Business Days after the Interconnection Request is deemed complete, or as otherwise mutually agreed to by the Parties. The ISO, the Connecting Transmission Owner, and the Interconnection Customer will bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting. Before a Connecting Transmission Owner participates in

a scoping meeting with its Affiliates, the ISO shall post on its OASIS an advance notice of the Connecting Transmission Owner's intent to do so.

32.3.2.2 The purpose of the scoping meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether the ISO should perform an optional feasibility study or proceed directly to a system impact study, or a facilities study, or an interconnection agreement. The Connecting Transmission Owner and Affected Transmission Owner(s), identified pursuant to Section 32.4.10 of this Attachment Z, shall be prepared to provide input regarding proposed Point(s) of Interconnection and configurations. If, within five (5) Business Days after the Scoping Meeting, the Interconnection Customer advises the ISO that it elects to proceed with an optional feasibility study, the ISO shall provide the Interconnection Customer and the Connecting Transmission Owner, as soon as possible, a non-binding good faith estimate of the cost and timeframe to perform the study. At the Interconnection Customer's option, the ISO, Connecting Transmission Owner or the Interconnection Customer may provide input regarding alternative Point(s) of Interconnection and configurations at the Scoping Meeting to evaluate in the optional feasibility study. On the basis of the meeting, the Interconnection Customer shall designate its Point of Interconnection and one or more alternative Point(s) of Interconnection. An Interconnection Customer electing to evaluate alternative Point(s) of Interconnection must proceed through an optional feasibility study and must select the definitive Point of Interconnection for the proposed Small Generating Facility no later than the

commencement of the interconnection study following the optional feasibility study.

32.3.2.3 The scoping meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has requested an optional feasibility study must submit the study deposit pursuant to Section 32.3.3.2 of this Attachment Z and technical data requested by the ISO within fifteen (15) Business Days from the ISO's notice providing a good faith estimate of the cost and timeframe of the study. If the Interconnection Customer does not provide the required study deposit within fifteen (15) Business Days after the ISO's notice to the Interconnection Customer and the Connecting Transmission Owner of the good faith estimate of the cost and timeframe for completing the optional feasibility study, the Interconnection Customer will be subject to withdrawal. If the Interconnection Customer does not provide all required technical data, the ISO shall notify the Interconnection Customer of the deficiency and the Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such ability to cure technical deficiencies does not apply to failure to submit the required deposit. The ISO shall notify the Interconnection Customer and the Connecting Transmission Owner that the optional feasibility study has commenced following receipt of the required deposit and once the ISO deems the required technical data sufficient.

If the Interconnection Customer opts to forego the optional feasibility study, the Interconnection Customer shall, within five (5) Business Days after the Scoping Meeting advise

the ISO that it elects not to proceed with an optional feasibility study, after which the ISO shall, as soon as practicable, provide the Interconnection Customer and the Connecting Transmission Owner, a non-binding good faith estimate of the cost and timeframe to perform the system impact study.

32.3.3 Optional Feasibility Study Scope and Procedures

32.3.3.1 The optional feasibility study shall identify any potential adverse system impacts that would result from the interconnection of the Small Generating Facility.

32.3.3.2 A deposit of \$10,000 or \$30,000, depending upon the scope of analysis requested by the Interconnection Customer pursuant to Section 32.3.3.3 of this Attachment Z, must be submitted to the ISO within fifteen (15) Business Days of the ISO's notice of the good faith estimate of the cost and timeframe to perform the study.

32.3.3.3 The optional feasibility study may consist of any of the following technical analyses as described in the study scope:

For a \$10,000 optional feasibility study deposit, Interconnection Customer may request the following limited analyses:

- (1) Conceptual breaker-level one-line diagram of existing system where project proposes to interconnect (i.e., how to integrate the Small Generating Facility into the existing system); and/or
- (2) Review of feasibility/constructability of conceptual breaker-level one-line diagram of the proposed interconnection (e.g., space for additional breaker bay in

existing substation; identification of cable routing concerns inside existing substation; environmental concerns inside the substation).÷

For a \$30,000 optional feasibility study deposit, Interconnection Customer may request the following detailed analyses:

- (1) Development of conceptual breaker-level one-line diagram of existing NYS Transmission System or Distribution System where the Small Generating Facility proposes to interconnect -(i.e., how to integrate the Small Generating Facility into the existing system);
- (2) Review of feasibility/constructability of a conceptual breaker-level one-line diagram of the proposed interconnection (e.g., space for additional breaker bay in existing substation or -identification of cable routing concerns inside existing substation);
- (3) Preliminary review of local protection, communication, grounding issues associated with the proposed interconnection;
- (4) Power flow, short circuit and/or bus flow analyses; and/or
- (5) Identification of Connecting Transmission Owner Interconnection Facilities and Local System Upgrade Facilities with a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

The scope of the optional feasibility study will be provided to the Interconnection Customer and Connecting Transmission Owner for review and comment. After the study scope is finalized, the ISO will provide the final scope to the Connecting Transmission Owner and the Interconnection Customer. The Connecting Transmission Owner shall indicate its agreement to the optional feasibility study

scope by signing it and promptly returning it to the ISO, such agreement not to be unreasonably withheld.

32.3.3.4 The ISO may request additional information from the Interconnection Customer and Connecting Transmission Owner as may reasonably become necessary consistent with Good Utility Practice during the course of the optional feasibility study. Upon request from the ISO for additional information required for or related to the optional feasibility study, the Interconnection Customer and Connecting Transmission Owner shall provide such additional information in a prompt manner.

32.3.3.5 Connecting Transmission Owner and any Affecting Transmission Owners, together with the Interconnection Customer, will be provided with drafts of the optional feasibility study report for review. Review and comments shall be provided to the ISO within fifteen (15) Business Days of receipt.

32.3.3.6 If the optional feasibility study shows no potential for adverse system impacts and the ISO, Connecting Transmission Owner and Interconnection Customer all agree no system impact study is required, the ISO shall notify the Interconnection Customer and the Connecting Transmission Owner within five (5) Business Days of the completion of the optional feasibility study that the system impact study has been waived and shall send the Interconnection Customer and the Connecting Transmission Owner a facilities study agreement, which shall include an outline of the scope of the study and a non-binding good faith estimate of the cost and timeframe to perform the facilities study. If no additional facilities are required, the ISO shall send the Interconnection Customer

and Connecting Transmission Owner a draft interconnection agreement within five (5) Business Days.

32.3.3.7 If the optional feasibility study shows the potential for adverse system impacts, the review process shall proceed to the system impact study.

32.3.4 System Impact Study

32.3.4.1 The Interconnection Customer shall advise the ISO that it elects to proceed with a system impact study within five (5) Business Days after either the delivery of the final optional feasibility study report to the Interconnection Customer or the scoping meeting, if the Interconnection Customer opts to forego the optional feasibility study. As soon as practicable after receipt of such election from the Interconnection Customer, the ISO shall provide to the Interconnection Customer and Connecting Transmission Owner a good faith estimate of the cost and timeframe for completing the system impact study.

A system impact study shall identify and detail the electric system impacts that would result if the proposed Small Generating Facility were interconnected without project modifications or electric system modifications, focusing on the adverse system impacts identified in the optional feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.

32.3.4.2 If the ISO, Connecting Transmission Owner and Interconnection Customer mutually agree that no system impact study is required, , the ISO shall send the Interconnection Customer and the Connecting Transmission Owner a

facilities study agreement (in the form of Appendix 6) as soon as practicable after (1) transmittal of the final optional feasibility study report; or (2) confirmation that the ISO, Connecting Transmission Owner and Interconnection Customer mutually agree to waive the system impact study if the Interconnection Customer elects to skip the optional feasibility study. The ISO shall include, with the facilities study agreement tendered to the Interconnection Customer, an outline of the scope of the facilities study and a non-binding good faith estimate of the cost and timeframe to perform the study.

32.3.4.3 In order to remain under consideration for interconnection, unless the system impact study is waived upon mutual agreement of the ISO, Connecting Transmission Owner and Interconnection Customer, the Interconnection Customer must submit the required system impact study deposit set forth in Section 32.3.4.4 of this Attachment Z and the technical data requested by the ISO to the ISO within fifteen (15) Business Days of the ISO's notice of good faith estimate of the cost and timeframe to perform the system impact study.

32.3.4.4 A deposit of \$50,000 for the system impact study must be submitted by the Interconnection Customer ~~with the executed system impact study~~ within fifteen (15) Business Days of the ISO's notice of good faith estimate of the cost and timeframe to perform the system impact study to the Interconnection Customer. If the Interconnection Customer does not provide the required study deposit within fifteen (15) Business Days after the ISO's notice to the Interconnection Customer and the Connecting Transmission Owner of the good faith estimate of the cost and timeframe for completing the SIS, the

Interconnection Customer will be subject to withdrawal. If the Interconnection Customer does not provide all required technical data, the ISO shall notify the Interconnection Customer of the deficiency and the Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such ability to cure technical deficiencies does not apply to failure to submit the required deposit. The ISO shall notify the Interconnection Customer and the Connecting Transmission Owner that the system impact study has commenced following receipt of the required deposit and once the ISO deems the required technical data sufficient.

32.3.4.5 The scope of and cost responsibilities for a system impact study shall be described in the system impact study scope. The scope of the system impact study will be provided to the Interconnection Customer and Connecting Transmission Owner for review and comment. After the study scope is finalized, the ISO will provide the final scope to the Connecting Transmission Owner and the Interconnection Customer. The Connecting Transmission Owner shall indicate its agreement to the system impact study scope by signing it and promptly returning it to the ISO, such agreement not to be unreasonably withheld. For an Interconnection Customer proposing an incremental increase in output to an existing Small Generating Facility, the total output of which does not exceed 20 MW, the system impact study scope may be narrowed upon mutual agreement among the ISO, Connecting Transmission Owner and Interconnection Customer.

32.3.4.6 The ISO may request additional information from the Interconnection Customer and Connecting Transmission Owner as may reasonably become

necessary consistent with Good Utility Practice during the course of the system impact study. Upon request from the ISO for additional information required for or related to the system impact study, Interconnection Customer and Connecting Transmission Owner shall provide such additional information in a prompt manner.

32.3.4.7 Affected Systems shall participate in the system impact study and provide all information necessary to prepare the study.

32.3.4.8 Connecting Transmission Owner and any Affecting Transmission Owners, together with Interconnection Customer, will be provided drafts of the system impact study report for review. Review and comments shall be provided to the ISO within fifteen (15) Business Days of receipt.

32.3.5 Facilities Study

32.3.5.1 If a system impact study(s) is required, once the required system impact study(s) is completed, a system impact study report shall be prepared by the ISO and transmitted to the Interconnection Customer and the Connecting Transmission Owner. As soon as practicable after transmittal of the final system impact study report, the ISO will tender a facilities study agreement to the Interconnection Customer and Connecting Transmission Owner . If a system impact study(s) is not required, the NYISO shall provide the Interconnection Customer and the Connecting Transmission Owner with a facilities study agreement as soon as practicable after that determination. Each facilities study agreement shall include an outline of the scope of the facilities study and a non-

binding good faith estimate of the cost and timeframe to perform the facilities study.

32.3.5.2 In order to remain under consideration for interconnection, unless the ISO, Connecting Transmission Owner and Interconnection Customer mutually agree to waive the facilities study, the Interconnection Customer must return the ~~executed~~ completed facilities study agreement within 30 Calendar Days, together with the required technical data set forth in Appendix 6 and the required deposit equal to the non-binding good faith estimate of the cost and timeframe to perform the facilities study. The Interconnection Customer, ISO and Connecting Transmission Owner shall execute the facilities study agreement no later than ten (10) Business Days after the ISO confirms receipt of the executed facilities study agreement, the study deposit and required technical data from the Interconnection Customer. The ISO shall provide a copy of the fully executed facilities study agreement to the Interconnection Customer and Connecting Transmission Owner.

32.3.5.3 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s), as appropriate. Connecting Transmission Owner and any Affecting Transmission Owners, together with the Interconnection Customer, will be provided with drafts of the facilities study report for review. Review and comments shall be provided to the ISO within fifteen (15) Business Days of receipt.

32.3.5.3.1 The Interconnection Customer shall be responsible for the cost of the Interconnection Facilities and Distribution Upgrades necessary to accommodate its Interconnection Request.

32.3.5.3.2 The Interconnection Customer shall be responsible for the cost of any System Upgrade Facilities determined by an Interconnection Study to be necessary to accommodate the Interconnection Request. Such Interconnection Study shall be of sufficient detail and scope to assure that this determination can be made. If any System Upgrade Facilities other than Local System Upgrade Facilities are determined to be necessary to accommodate the Interconnection Request, the Small Generating Facility shall be evaluated as a member of the next Class Year, and the Interconnection Customer's cost responsibility shall be determined in accordance with Attachment S. All other Small Generating Facilities (i.e., those for which no System Upgrade Facilities or only Local System Upgrade Facilities have been identified as necessary to accommodate the Interconnection Request) shall complete an individual Facilities Study, if required, under these Small Generator Interconnection Procedures; [provided however, a Small Generating Facility that requires no System Upgrade Facilities or only Local System Upgrade Facilities may elect to enter a Class Year Study for evaluation of its requested ERIS and elective System Upgrade Facilities, to the extent permitted by Section 25.6.1.4.1 of Attachment X to the OATT.](#) The standard described above in this Section regarding when a Small Generating Facility must enter a Class Year will apply to Small Generating Facilities being considered for entry into Class Year 2011 and beyond. To the extent appropriate,

the ISO will notify any Affected System or transmission owner prior to the determination that System Upgrade Facilities are necessary, to allow for potential input by the Affected System or transmission owner. For purposes of this section, Affected System may include the portions of the New York State Transmission System that may be potentially affected. If the Interconnection Customer elects ~~Capacity Resource Interconnection Service~~[CRIS](#), and its Small Generating Facility is larger than 2 MW, it will be evaluated as a member of the next Class Year to determine the Interconnection Customer's responsibility for System Deliverability Upgrades in accordance with Attachment S.

32.3.5.3.3 At any time prior to the Class Year Start Date, as specified in Section 25.5.9 of Attachment S to the OATT, the Interconnection Customer may elect to proceed under this Section 32.3.5.3.3. Pending the outcome of the Class Year cost allocation process, the Interconnection Customer can elect to proceed with the interconnection of its Small Generating Facility if in the SGIA (i) it agrees in writing to accept the final cost allocation results determined in the Class Year in accordance with Attachment S, (ii) it agrees in writing to pay cash or post Security in accordance with Attachment S in that Class Year; and (iii) it agrees in writing to operate its Small Generating Facility within the limits of the current New York State Transmission System, as determined by the ISO, in consultation with the Connecting Transmission Owner; pursuant to Section 32.3.5.3.4 of the SGIP.

32.3.5.3.4 Upon the request and at the expense of the Interconnection Customer, the ISO, in consultation with the Connecting Transmission Owner, will perform

operating studies on a timely basis to determine the extent to which the Interconnection Customer's Small Generating Facility can be operated prior to the installation of any System Upgrade Facilities or System Deliverability Upgrades required for that Small Generating Facility. Such tests shall be consistent with Applicable Reliability Standards and Good Utility Practice. To the extent appropriate, the ISO will notify any Affected System or transmission owner prior to the determination to allow for potential input by the Affected System or transmission owner. For purposes of this section, Affected System may include the portions of the New York State Transmission System that may be potentially affected. The ISO and Connecting Transmission Owner shall promptly notify the Interconnection Customer of the results of these studies and shall permit the Small Generating Facility to operate consistent with the results of such studies.

32.3.5.4 Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement, these procedures and, if applicable, Attachment S of the ISO OATT. The ISO may contract with consultants to perform activities required under the facilities study agreement. The Parties may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by the Connecting Transmission Owner, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the ISO and/or Connecting Transmission Owner shall make sufficient information available to

the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

32.3.5.5 A deposit of the good faith estimated costs for the facilities study will be required from the Interconnection Customer.

32.3.5.6 The scope of and cost responsibilities for the facilities study are described in the facilities study agreement in the form of Appendix 6. ISO may request additional information from the Interconnection Customer and Connecting Transmission Owner as may reasonably become necessary consistent with Good Utility Practice during the course of the facilities study. Upon request from the ISO for additional information required for or related to the facilities study, the Interconnection Customer and Connecting Transmission Owner shall provide such additional information in a prompt manner.

32.3.5.7 As soon as practicable upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, the ISO shall provide the Interconnection Customer and the Connecting Transmission Owner a draft interconnection agreement.

32.3.5.8 ~~Following execution of the~~ With the completed facilities study agreement, the Interconnection Customer shall submit to the ISO an updated proposed In-Service Date, an updated proposed Initial Synchronization Date and an updated proposed Commercial Operation Date every ninety (90) Calendar Days.

32.4 Provisions that Apply to All Interconnection Requests

32.4.1 Reasonable Efforts

The ISO, in consultation with the Connecting Transmission Owner, shall make reasonable efforts to meet all time frames provided in these procedures unless the ISO, Connecting Transmission Owner and Interconnection Customer agree to a different schedule. If either the ISO or Connecting Transmission Owner cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

32.4.2 Disputes

32.4.2.1 The ISO, Connecting Transmission Owner and Interconnection Customer agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

32.4.2.2 In the event of a dispute, the Parties will first attempt to promptly resolve it on an informal basis. If the Parties cannot promptly resolve the dispute on an informal basis, then any Party shall provide the other Parties with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.

32.4.2.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, any Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.

32.4.2.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (*e.g.*, mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in

resolving their dispute. The result of this dispute resolution process will be binding only if the Parties agree in advance. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.

32.4.2.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-third of any costs paid to neutral third-parties.

32.4.2.6 If no Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then any Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of these procedures.

32.4.3 Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with Federal Energy Regulatory Commission, state, or local regulatory requirements or the Connecting Transmission Owner's specifications.

32.4.4 Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The ISO and Connecting Transmission Owner must be given at least five Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

32.4.5 Confidentiality

32.4.5.1 Certain information exchanged by the Parties during the administration of these procedures shall constitute confidential information ("Confidential Information") and shall be subject to this Section 32.4.5. Confidential

Information shall mean any confidential and/or proprietary information provided by one Party to another Party or Parties that is clearly marked or otherwise designated “Confidential.” For purposes of these procedures, all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such. Confidential Information shall include, without limitation, information designated as such by the ISO Code of Conduct contained in Attachment F to the ISO OATT.

32.4.5.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted to or divulged by Governmental Authorities (after notice to the other Parties and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce an interconnection agreement entered into pursuant to these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.

32.4.5.2.1. Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Parties as it employs to protect its own Confidential Information.

32.4.5.2.2. Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential

Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

32.4.5.3 Notwithstanding anything in this Section 32.4.5 to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Section 32.4.5, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Each Party is prohibited from notifying the other Parties prior to the release of the Confidential Information to FERC. The Party shall notify the other Parties when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time any of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

32.4.6 Comparability

The ISO shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. The ISO and Connecting Transmission Owner shall use the same reasonable efforts in processing and analyzing Interconnection Requests from all

Interconnection Customers, whether the Small Generating Facility is owned or operated by the Connecting Transmission Owner, its subsidiaries or affiliates, or others.

32.4.7 Record Retention

The ISO and Connecting Transmission Owner shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

32.4.8 Interconnection Agreement

As soon as practicable upon completion of all required interconnection studies, or, if the Interconnection Customer elects to enter a Class Interconnection Facilities Study, upon completion of the decision process described in Section 25.8 of Attachment S for the Class Interconnection Facilities Study and acceptance by the Interconnection Customer of its Attachment S cost allocation, and satisfaction of the Security posting requirements described in Attachment S, the ISO shall tender to the Interconnection Customer and Connecting Transmission Owner a draft Standard Small Generator Interconnection Agreement together with draft attachments completed to the extent practicable. Upon such tender, the Interconnection Customer shall provide the ISO with an updated proposed In-Service Date, an updated proposed Initial Synchronization Date, and an updated proposed Commercial Operation Date. Such dates are subject to the limitations set forth in Section 30.4.4.5 of Attachment X to the OATT.

The draft Standard Small Generator Interconnection Agreement shall be in the form of the ISO's Commission-approved Standard Small Generator Interconnection Agreement, which is in Appendix 7 to this Attachment Z. Unless otherwise agreed by the Parties, if the Interconnection Customer does not sign the interconnection agreement, or ask that it be filed

unexecuted within six (6) months after tender of the draft interconnection agreement, the Interconnection Request shall be deemed withdrawn. After the interconnection agreement is signed by the Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

32.4.9 Termination of the Standard Small Generator Interconnection Agreement

The classification of a Small Generating Facility as Retired will be grounds for the termination of the Small Generator Interconnection Agreement (SGIA). The ISO will file with the Federal Energy Regulatory Commission a notice of termination of the SGIA as soon as practicable after the Small Generating Facility is Retired. The termination of a non-conforming *pro forma* SGIA will be effective only upon acceptance by the Federal Energy Regulatory Commission of the notice of termination and proposed effective date. Upon the effective date of the termination of the SGIA, access to the Point of Interconnection of the Small Generating Facility will be available on a non-discriminatory basis pursuant to the ISO's applicable interconnection and transmission expansion processes and procedures.

32.4.10 Coordination with Affected Systems

The ISO shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators, as soon as they are identified – either by their own accord, by the Connecting Transmission Owner, or by the ISO – and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these procedures. The ISO will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the ISO and Connecting Transmission Owner in all matters related to the conduct of studies and the determination of

modifications to Affected Systems. Each Affected System Operator and/or Affected System shall cooperate with the ISO and Connecting Transmission Owner with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems. The Parties to this Agreement shall cooperate in good faith to provide each other, Affected System Operators and Affected Systems the information necessary to carry out the terms of the SGIP and the SGIA.

For identified Affected Transmission Owner(s) of facilities electrically adjacent to the Point of Interconnection and that have design criteria, operational criteria or other local planning criteria applicable to either (1) the substation to which the Interconnection Customer proposes to interconnect; or (2) the substation that will be required to be built to accommodate the interconnection, the ISO shall provide such Affected Transmission Owner(s) with the opportunity to review and provide comments on all study scopes, study reports and drafts thereof for the project, and will be included on communications regarding the project and meetings discussing the project or any of its studies, where such communications or meetings involve the ISO, Interconnection Customer and Connecting Transmission Owner. The ISO shall include in the appropriate interconnection study proposed studies requested by such an identified Affected Transmission Owner to the extent such studies are reasonably justified in accordance with Good Utility Practice.

32.4.11 Capacity of the Small Generating Facility

32.4.11.1 If the Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility. The reliability impact of all increases in the capacity of an existing Small Generating Facility

will be evaluated by applying the NYISO Minimum Interconnection Standard.

An existing Small Generating Facility interconnected with Capacity Resource Interconnection Service may, over the life of the facility, increase its capacity by a total of 2 MW above its originally established Capacity Resource Interconnection Service ~~capacity~~ value without having the deliverability of that 2 MW increase evaluated under the NYISO Deliverability Interconnection Standard. The deliverability impact of all increases greater than 2 MW over the life of the facility will be evaluated by applying the NYISO Deliverability Interconnection Standard in accordance with the SGIP and Attachment S to the ISO OATT.

32.4.11.2 If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which the Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.

32.4.11.3 The Interconnection Request shall be evaluated using the maximum capacity that the Small Generating Facility is capable of injecting into the Connecting Transmission Owner's electric system. However, if the maximum capacity that the Small Generating Facility is capable of injecting into the Connecting Transmission Owner's electric system is limited (*e.g.*, through the use of a control system, power relay(s), or other similar device settings or adjustments), then the Interconnection Customer must obtain the ISO's and Connecting Transmission Owner's agreement, with such agreement not to be unreasonably withheld, that the manner in which the Interconnection Customer

proposes to implement such a limit will not adversely affect the safety and reliability of the Connecting Transmission Owner's system. If the Connecting Transmission Owner does not so agree, then the Interconnection Request must be withdrawn or revised to specify the maximum capacity that the Small Generating Facility is capable of injecting into the Connecting Transmission Owner's electric system without such limitations. Furthermore, nothing in this section shall prevent a Connecting Transmission Owner from considering an output higher than the limited output, if appropriate, when evaluating system protection impacts.

32.5 Appendices

Appendix 1 - Glossary of Terms

Terms used in the SGIP or SGIA with initial capitalization that are not defined in this Glossary shall have the meanings specified in Attachment X or Attachment S to the ISO OATT, or in ~~Article~~ [Section](#) 2 of the ISO Services Tariff.

10 kW Inverter Process – The procedure for evaluating an Interconnection Request for a certified inverter-based Small Generating Facility no larger than 10 kW that uses the Section 32.2 screens. The application process uses an all-in-one document that includes a simplified Interconnection Request, simplified procedures, and a brief set of terms and conditions. See SGIP Appendix 5.

Affected System – An electric system other than the transmission system owned, controlled or operated by the ISO or Connecting Transmission Owner that may be affected by the proposed interconnection.

Affected System Operator – Affected System Operator shall mean the operator of any Affected System.

Affected Transmission Owner – The New York public utility or authority (or its designated agent) other than the Connecting Transmission Owner that: (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff, and (ii) owns, leases or otherwise possesses an interest in a portion of the New York State Transmission System where System Deliverability Upgrades, System Upgrade Facilities, or Network Upgrade Facilities are or will be installed pursuant to Attachment P, Attachment X, Attachment Z, or Attachment S to the ISO OATT.

Applicable Reliability Standards – The criteria, requirements and guidelines of the North American Electric Reliability Council, the Northeast Power Coordinating Council, the New York State Reliability Council and related and successor organizations, and the Transmission District to which the Interconnection Customer's Small Generating Facility is directly interconnected, as those criteria, requirements and guidelines are amended and modified and in effect from time to time; provided that no Party shall waive its right to challenge the applicability of or validity of any criterion, requirement or guideline as applied to it in the context of Attachment Z to the ISO OATT. For the purposes of the SGIP, this definition of Applicable Reliability Standards shall supersede the definition of Applicable Reliability Standards set out in Attachment X to the ISO OATT.

Base Case – The base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the ISO, Connecting Transmission Owner or Interconnection Customer; described in Section 30.2.3 of the Large Facility Interconnection Procedures.

Business Day – Monday through Friday, excluding federal holidays.

Capacity Resource Interconnection Service (“CRIS”) – The service provided by the ISO to Interconnection Customers that satisfy the NYISO Deliverability Interconnection Standard or that are otherwise eligible to receive CRIS in accordance with Attachment S to the ISO OATT; such service being one of the eligibility requirements for participation as an ISO Installed Capacity Supplier.

Class Year shall mean the group of generation projects and Class Year Transmission Projects included in any particular Class Year Interconnection Facilities Study (Annual Transmission Reliability Assessment and/or Class Year Deliverability Study), in accordance with the criteria specified in Attachment S and in Attachment Z for including such projects.

Class Year Project shall mean an Eligible Class Year Project with an executed Class Year Interconnection Facilities Study Agreement that thereby becomes one of the group of generation and Class Year Transmission Projects included in any particular Class Year Interconnection Facilities Study (Annual Transmission Reliability Assessment and/or Class Year Deliverability Study), in accordance with the criteria specified in Attachment S and in Attachment Z for including such projects.

Class Year Transmission Project shall mean a Developer’s proposed new transmission facility that will interconnect to the New York State Transmission System or a proposed upgrade—an improvement to, addition to, or replacement of a part of an existing transmission facility—to the New York State Transmission System, for which the Developer is eligible to request and does request Capacity Resource Interconnection Service, subject to the eligibility requirements set forth in the ISO Procedures. Class Year Transmission Projects shall not include Attachment Facilities, Network Upgrade Facilities, System Upgrade Facilities or System Deliverability Upgrades.

Class Year Start Date shall mean the deadline for Eligible Class Year Projects to enter a Class Year Interconnection Facilities Study, determined in accordance with Section 25.5.9 of Attachment S.

Commercial Operation shall mean the status of a Small Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Small Generating Facility commences Commercial Operation as agreed to by the Parties.

Connecting Transmission Owner – The New York public utility or authority (or its designated agent) that: (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff, (ii) owns, leases or otherwise possesses an interest in the portion of the New York State Transmission System or Distribution System at the Point of Interconnection, and (iii) is a Party to the Standard Small Generator Interconnection Agreement.

Distribution System – The Transmission Owner’s facilities and equipment used to distribute electricity that are subject to FERC jurisdiction, and are subject to the ISO’s Large Facility Interconnection Procedures in Attachment X to the ISO OATT or Small Generator

Interconnection Procedures in Attachment Z to the ISO OATT under FERC Order Nos. 2003 and/or 2006. For the purpose of the SGIP, the term Distribution System shall not include LIPA's distribution facilities.

Distribution Upgrades – The modifications or additions to the Transmission Owner's existing Distribution System at or beyond the Point of Interconnection that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Minimum Interconnection Standard. Distribution Upgrades do not include Interconnection Facilities or System Upgrade Facilities or System Deliverability Upgrades.

Eligible Class Year Project: Any Developer or Interconnection Customer that: (1) satisfies the criteria for inclusion in the next Class Year Interconnection Facilities Study, as those criteria are specified in Sections 25.5.9 and 25.6.2.3.1 of Attachment S to the OATT, Section 32.1.1.7 of this Attachment Z and/or Section 32.3.5.3.2 of this Attachment Z; or (2) that seeks evaluation in a Class Year Study to obtain or increase CRIS as permitted by Attachment S to the ISO OATT and satisfies the criteria for inclusion in the next Class Year Interconnection Facilities Study specified in Section 25.5.9 of Attachment S to the OATT.

Energy Resource Interconnection Service – The service provided by the ISO to interconnect the Interconnection Customer's Small Generating Facility to the New York State Transmission System or Distribution System in accordance with the NYISO Minimum Interconnection Standard, to enable the New York State Transmission System to receive Energy and Ancillary Services from the Small Generating Facility, pursuant to the terms of the ISO OATT.

Fast Track Process – The procedure for evaluating an Interconnection Request for a certified Small Generating Facility that meets the eligibility requirements of Section 32.2.1 of the SGIP and includes the Section 32.2 screens, customer options meeting, and optional supplemental review.

Force Majeure – Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, the absence of any necessary governmental approvals timely applied for, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. For the purposes of this Attachment Z, this definition of Force Majeure shall supersede the definitions of Force Majeure set out in Section 2.11 of the ISO OATT.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, the ISO, Affected Transmission Owner, Connecting Transmission Owner or any Affiliate thereof.

Initial Synchronization Date shall mean the date upon which the Small Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Connecting Transmission Owner's Interconnection Facilities to obtain back feed power.

Interconnection Customer – Any entity, including the Connecting Transmission Owner or any of its affiliates or subsidiaries, that proposes to interconnect its Small Generating Facility with the New York State Transmission System or the Distribution System.

Interconnection Facilities – The Connecting Transmission Owner's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the New York State Transmission System or the Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or System Upgrade Facilities.

Interconnection Request – The Interconnection Customer's request, in accordance with these procedures, (i) to interconnect a new Small Generating Facility to the New York State Transmission System or the Distribution System, or (ii) to materially increase the capacity of, or make a material modification to the operating characteristics of, an existing Small Generating Facility that is interconnected to the New York State Transmission System or the Distribution System. For the purposes of this Attachment Z, this definition of Interconnection Request shall supersede the definition of Interconnection Request set out in Attachment X to the ISO OATT.

Interconnection Study – Any study required to be performed under Sections 32.2 or 32.3 of the SGIP.

Local System Upgrade Facilities shall mean the System Upgrade Facilities necessary to physically interconnect a proposed project to the Connecting Transmission Owner's transmission system, consistent with applicable interconnection and system protection design standards. Local System Upgrade Facilities include any electrical facilities required to make the physical connection (*e.g.*, a new ring bus for a line connection or facilities required to create a new bay for a substation connection). Local System Upgrade Facilities also include any system protection or communication facilities that may be required for protection of the Connecting Transmission Owner's transmission facility (line or substation) involved in the interconnection. Local System Upgrade Facilities do not include System Upgrade Facilities required to mitigate any adverse

reliability impact(s) of the project(s) identified through analysis such as power flow, short circuit, or stability (e.g., replacement of a circuit breaker at a nearby substation that becomes overdutied as a result of the project(s)).

Material Modification – A modification that has a material adverse impact on the cost or timing of any Interconnection Request with a later queue priority date.

Minor Modification – Modifications that will not have a material adverse impact on the cost or timing of any Interconnection Request.

New York State Transmission System - The entire New York State electric transmission system, which includes (i) the Transmission Facilities under ISO Operational Control; (ii) the Transmission Facilities Requiring ISO Notification; and (iii) all remaining transmission facilities within the New York Control Area.

NYISO Deliverability Interconnection Standard – The standard that must be met, unless otherwise provided for by Attachment S to the ISO OATT, by (i) any generation facility larger than 2MW in order for that facility to obtain CRIS; (ii) any Class Year Transmission Project; (iii) any entity requesting External CRIS Rights, and (iv) any entity requesting a CRIS transfer pursuant to Section 25.9.5 of Attachment S to the ISO OATT. To meet the NYISO Deliverability Interconnection Standard, the Interconnection Customer must, in accordance with the rules in Attachment S to the ISO OATT, fund or commit to fund any System Deliverability Upgrades identified for its project in the Class Year Deliverability Study.

NYISO Minimum Interconnection Standard – The reliability standard that must be met by any generation facility or Class Year Transmission Project that is subject to ISO's Large Facility Interconnection Procedures in Attachment X to the ISO OATT or the ISO's Small Generator Interconnection Procedures in this Attachment Z, that is proposing to connect to the New York State Transmission System or Distribution System, to obtain ERIS. The Minimum Interconnection Standard is designed to ensure reliable access by the proposed project to the New York State Transmission System or to the Distribution System. The Minimum Interconnection Standard does not impose any deliverability test or deliverability requirement on the proposed interconnection.

Open Class Year – The Class Year open for new members pursuant to the Class Start Date deadline specified in Section 25.5.9 of Attachment S to the OATT.

Party or Parties – The ISO, Connecting Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the New York State Transmission System or the Distribution System.

Queue Position – The order of a valid Interconnection Request, Study Request, or Transmission Interconnection Application relative to all other such pending requests, that is established based upon the date and time of receipt of the valid request by the ISO, unless specifically provided otherwise in an applicable transition rule set forth in Attachment P, Attachment X or Attachment Z to the ISO OATT.

Retired: A Generator that has permanently ceased operating on or after the effective date of Section 5.18 of the Services Tariff either: i) pursuant to applicable notice; or ii) as a result of the expiration of its Mothball Outage or the expiration of its ICAP Ineligible Forced Outage.

Small Generating Facility – The Interconnection Customer’s device no larger than 20 MW for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer’s Interconnection Facilities.

Study Process – The procedure for evaluating an Interconnection Request that includes the Section 32.3 scoping meeting, feasibility study, system impact study, and facilities study.

System Deliverability Upgrades – The least costly configuration of commercially available components of electrical equipment that can be used, consistent with Good Utility Practice and Applicable Reliability Requirements, to make the modifications or additions to the existing New York State Transmission System that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Deliverability Interconnection Standard for Capacity Resource Interconnection Service.

System Upgrade Facilities – The least costly configuration of commercially available components of electrical equipment that can be used, consistent with good utility practice and Applicable Reliability Requirements to make the modifications to the existing transmission system that are required to maintain system reliability due to: (i) changes in the system, including such changes as load growth and changes in load pattern, to be addressed in the form of generic generation or transmission projects; and (ii) proposed interconnections. In the case of proposed interconnection projects, System Upgrade Facilities are the modifications or additions to the existing New York State Transmission System that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Minimum Interconnection Standard.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Small Generating Facility prior to Commercial Operation.

Upgrades – The required additions and modifications to the Connecting Transmission Owner’s portion of the New York State Transmission System or the Distribution System at or beyond the Point of Interconnection. Upgrades may be System Upgrade Facilities or System Deliverability Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Appendix 2 - SMALL GENERATOR INTERCONNECTION REQUEST (Application Form)

An Interconnection Request is considered complete when it provides all applicable and correct information required below, together with the required application fee, submitted to the ISO. Per SGIP section 32.1.5, documentation of the site control must be submitted with the Interconnection Request.

Preamble and Instructions

An Interconnection Customer who requests an interconnection to the New York State Transmission System or the Distribution System must submit this Interconnection Request by e-mail to the ISO at NewProject@nyiso.com. The ISO will send a copy to the Connecting Transmission Owner.

Processing Fee or Deposit:

If the Interconnection Request is submitted under the Fast Track Process, the non-refundable processing fee is \$500.

If the Interconnection Request is submitted under the Study Process, whether a new submission or an Interconnection Request that did not pass the Fast Track Process, the Interconnection Customer shall submit to the ISO a non-refundable application fee of \$1,000.

Interconnection Service Options

An Interconnection Customer may interconnect its new Small Generating Facility by electing to take either Energy Resource Interconnection Service (“ERIS”) or ERIS and Capacity Resource Interconnection Service (“CRIS”). The rights and obligations associated with each alternative are different. The Interconnection Customer should consult Section 32.1.1.7 of the Small Generator Interconnection Procedures for additional information, and should direct any questions about the alternatives to the ISO.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual’s name)

Name of Interconnection Customer: _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Facility Location (if different from above): _____

Telephone : _____

E-Mail Address:_____

Additional Contact Information

Contact Name:_____

Title:_____

Address:_____

Telephone:_____

E-Mail Address:_____

Application is for: _____ New Small Generating Facility
_____ Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe:_____

Will the Small Generating Facility be used for any of the following?

Net Metering? Yes ___ No___

To Supply Power to the Interconnection Customer? Yes ___ No___

To Supply Power to Others Through Wholesale Sales Over the New York State

Transmission System or Distribution System? Yes ___ No___

To Supply Power to a Host Load? Yes ___ No___

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

(Local Electric Service Provider)

(Existing Account Number)

Local Electric Service Provider Contact Name:_____

Title:_____

Address:_____

Telephone:_____

E-Mail Address:_____

Project Name: _____

Project Description: _____

Requested Point of Interconnection: _____

Coordinates (*i.e.*, latitude and longitude) of the Proposed Point of Interconnection: _____

Interconnection Customer's Proposed In-Service Date: _____

Interconnection Customer's Proposed Initial Synchronization Date: _____

Interconnection Customer's Proposed Commercial Operation Date: _____

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: ☐ Solar ☐ Wind ☐ Hydro ☐ Hydro Type (*e.g.* Run-of-River): _____
☐ Diesel ☐ Natural Gas ☐ Fuel Oil ☐ Other (state type) _____

Prime Mover: ☐ Fuel Cell ☐ Recip Engine ☐ Gas Turb ☐ Steam Turb
☐ Microturbine ☐ PV ☐ Other

Type of Generator: ☐ Synchronous ☐ Induction ☐ Inverter

Generator Nameplate Rating: _____ kW (Typical) Generator Nameplate kVAR: _____

If solar array, fixed, 1-axis, 2-axis, 2-axis flat panel, 2-axis CPV, CSP, etc.): _____

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Existing load? Yes ☐ No ☐

If existing load with metered load data, provide coincident Summer peak load: _____

If new load or existing load without metered load data, provide estimated coincident Summer peak load, together with supporting documentation for such estimated value:

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested:_____ kW

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Is the prime mover compatible with the certified protective relay package? ____Yes ____No

Generator (or solar collector)

Manufacturer, Model Name & Number:_____

Version Number:_____

Nameplate Output Power Rating in kW: (Summer) _____ (Winter) _____

Nameplate Output Power Rating in kVA: (Summer) _____ (Winter) _____

Individual Generator Reactive Capability in kVAR

Leading: _____ Lagging: _____

If wind, total number of generators in wind farm to be interconnected pursuant to this

Interconnection Request: _____

Generator Height: _____ ____Single phase ____Three Phase

Inverter Manufacturer, Model Name & Number (if used):_____

Primary frequency response operating range for electric storage resources:

Minimum State of Charge: _____ (%) Maximum State of Charge: _____ (%)

Additional Information

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control

schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW.

- Is One-Line Diagram Enclosed? ____ Yes ____ No

Enclose copy of any Site Control documentation that indicates the precise physical location of the proposed Small Generating Facility (*e.g.*, USGS topographic map or other diagram or documentation).

- Site Control Documentation Enclosed? ____ Yes ____ No
- Site Control provided for the following number of acres: _____

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.

For Interconnection Customer:

By (signature): _____

Name (type or print): _____

Title: _____

Company: _____

Date: _____

ATTACHMENT A TO APPENDIX 2 – SMALL GENERATOR INTERCONNECTION REQUEST– Terms and Conditions of Interconnection Study(ies)

These terms and conditions for the study of a Small Generating Facility or material modification to an existing Small Generating Facility proposed in the Interconnection Request dated _____ (“the Project”) and submitted by

_____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer”) sets forth the respective obligations between Interconnection Customer and the New York Independent System Operator, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York (“NYISO”) (hereinafter the “Terms and Conditions”). By signing below, Interconnection Customer confirms its understanding and acceptance of the Terms and Conditions.

RECITALS

WHEREAS, the Interconnection Customer is proposing the Project; and

WHEREAS, the Interconnection Customer is already interconnected with the New York State Transmission System (or the Distribution System, as applicable) ~~it~~^{it} ~~or~~^{or} desires to interconnect the Small Generating Facility with the New York State Transmission System (or the Distribution System, as applicable); and

WHEREAS, the Interconnection Customer has requested NYISO to perform one or more of the following studies: Optional Feasibility Study or System Impact Study to assess the impact of the Project on the New York State Transmission System (or Distribution System, as applicable) and any Affected Systems;

Now, THEREFORE, in consideration of and subject to the terms and conditions contained herein, the Interconnection Customer and NYISO agree as follows:

- 1.0 When used in under these Terms and Conditions, with initial capitalization, the terms specified shall have the meanings specified in Section 32.1.1.2 of the Small Generator Interconnection Procedures (“SGIP”).
- 2.0 The Interconnection Customer shall elect and NYISO shall cause to be performed, in accordance with the NYISO Open Access Transmission Tariff (“OATT”), one or more of the following: Optional Feasibility Study consistent with Section 32.3.3 of the SGIP, or System Impact Study consistent Section 32.3.4 of the SGIP, collectively referred to as the “Studies.” The terms of the SGIP, as applicable, are incorporated by reference herein.
- 3.0 The scopes for the Studies that the Interconnection Customer elects or is required to be performed in connection with its Interconnection Request and in accordance with the SGIP shall be subject to the assumptions developed by the Interconnection Customer, NYISO, and the Connecting Transmission Owner(s) at the respective scoping meetings for each study and detailed in final written scopes in accordance with Sections 32.3.3.3 and 32.3.4.5 of the SGIP.

4.0 Each study performed in connection with the Interconnection Request and these Terms and Conditions will be based on the technical information provided by the Interconnection Customer in the Interconnection Request and shall build upon the results any study conducted under these Terms and Conditions, if applicable. NYISO reserves the right to request additional information from the Interconnection Customer as may reasonable become necessary consistent with Good Utility Practice during the course of the Studies (including dynamic modeling data). If the Interconnection Customer modifies its designated Point of Interconnection, the Interconnection Request, or the technical information provided in the Interconnection Request, the time to complete the Studies may be extended. The Interconnection Customer shall bear any increased costs to complete the Studies as a result of a modification under this Section 4.0 of these Terms and Conditions.

5.0 Optional Feasibility Study.

5.1 If elected by the Interconnection Customer, the Optional Feasibility Study shall provide, as necessary, the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:

- If the Interconnection Customer elects to perform an Optional Interconnection Feasibility Study with a limited analysis (*i.e.*, \$10,000 study deposit), the study shall analyze, to the extent selected by the Interconnection Customer:
 - o conceptual breaker-level one-line diagram of existing system where project proposes to interconnect (*i.e.*, how to integrate the Small Generating Facility into the existing system); and/or
 - o review of feasibility/constructability of conceptual breaker-level one-line diagram of the proposed interconnection (*e.g.*, space for additional breaker bay in existing substation; identification of cable routing concerns inside existing substation; environmental concerns inside the substation).
- If the Interconnection Customer elects to perform an Optional Interconnection Feasibility Study with a detailed analysis (*i.e.*, \$30,000 study deposit), the study report shall provide, to the extent selected by the Interconnection Customer:
 - o conceptual breaker-level one-line diagram of existing New York State Transmission System or Distribution System where the Large Facility proposes to interconnect (*i.e.*, how to integrate the Large Facility into the existing system);
 - o review of the feasibility/constructability of a conceptual breaker-level one-line diagram of the proposed interconnection (*e.g.*, space

for additional breaker bay in existing substation or identification of cable routing concerns inside existing substation);

- preliminary review of local protection, communication, and grounding issues associated with the proposed interconnection;
- power flow, short circuit, and/or bus flow analyses; and/or
- preliminary identification of Connecting Transmission Owner Attachment Facilities and Local System Upgrade Facilities with a non-binding good faith cost estimate of the Interconnection Customer's cost responsibility and a non-binding good faith estimated time to construct.

5.2 The Optional Feasibility Study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.

5.3 The Optional Feasibility Study shall include, at the Interconnection Customer's cost, the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer.

6.0 System Impact Study.

6.1 The System Impact Study, unless otherwise waived upon the mutual agreement of the Interconnection Customer, NYISO, and the Connecting Transmission Owner(s) in accordance with Section 32.3.4 of the SGIP, shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. The System Impact Study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The system impact study report shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.

6.2 The System Impact Study shall consider all generating facilities and Class Year Transmission Projects (and with respect to paragraph 6.1.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the System Impact Study commences under the SGIP,

- are directly interconnected with the New York State Transmission System or distribution facilities;

- are interconnected with Affected Systems and may have an impact on the proposed interconnection;
- have accepted their cost allocation for System Upgrade Facilities and posted security for such System Upgrade Facilities in accordance with Attachment S to the OATT; and
- have no queue position but have executed an interconnection agreement or requested that an unexecuted interconnection agreement be filed with the Federal Energy Regulatory Commission (“FERC”).

6.3 Affected Systems may participate in the preparation of a System Impact Study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment on the System Impact Study to the extent the proposed interconnection potentially adversely impacts the Affected System’s electric system. NYISO shall have an additional twenty (20) Business Days to complete a System Impact Study requiring review by Affected Systems.

7.0 The Interconnection Customer shall provide NYISO with a deposit for each study elected or required to be performed in connection with its proposed interconnection in accordance with Section 32.3.3.2 of the SGIP for an Optional Feasibility Study and/or Section 32.3.4.4 of the SGIP for a System Impact Study.

8.0 Any study costs incurred by NYISO shall be based on its actual costs, including applicable taxes, and will be invoiced to the Interconnection Customer after each respective study is completed and delivered to the Interconnection Customer, which will include a summary of professional time. The applicable rates that NYISO shall use to calculate its actual costs shall be provided to the Interconnection Customer at the time that NYISO provides the good faith estimate of the cost for each study elected or required to be performed in connection with the Interconnection Request and under these Terms and Conditions.

9.0 The Interconnection Customer shall pay all invoice amounts in excess of the deposit or other cash security without interest within thirty (30) calendar days after receipt of the invoice. If the deposit or other cash exceeds the invoiced fees, NYISO shall refund such excess amounts within thirty (30) calendar days of the invoice without interest. If the Interconnection Customer disputes an amount to be paid, the Interconnection customer shall pay the disputed amount to NYISO or into an interest bearing escrow account, pending resolution of the dispute in accordance with Section 32.4.2 of the SGIP. To the extent that the dispute is resolved in the Interconnection Customer’s favor, that portion of the disputed amount will be returned to the Interconnection Customer with interest at rates applicable to refunds under the Commission’s regulations. To the extent that the dispute is resolved in NYISO’s favor, the portion of any escrowed funds and interest will be released to NYISO. NYISO and subcontractor consultants hired by NYISO shall not be obligated to perform or continue to perform any Interconnection Study work for the

Interconnection Customer unless the Interconnection Customer has paid all amounts in compliance herewith.

10.0 Miscellaneous.

- 10.1 Accuracy of Information. Except as the Interconnection Customer may otherwise specify in writing when it provides information to NYISO under these Terms and Conditions, the Interconnection Customer represents and warrants that the information it provides to NYISO shall be accurate and complete as of the date the information is provided. The Interconnection Customer shall promptly provide NYISO with any additional information needed to update information previously provided.
- 10.2 Disclaimer of Warranty. In preparing the Studies, NYISO and any subcontractor consultants hired by it shall have to rely on information provided by the Interconnection Customer, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, neither NYISO nor any subcontractor consultant hired by NYISO makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy, content, or conclusions of the Studies performed under these Terms and Conditions. The Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 10.3 Limitation of Liability. In no event shall NYISO or its subcontractor consultants be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with these Terms and Conditions or the Studies performed or any reliance on the Studies by the Interconnection Customer or third parties, even if NYISO or its subcontractor consultants have been advised of the possibility of such damages. Nor shall any NYISO or its subcontractor consultants be liable for any delay in delivery or for the non-performance or delay in performance of its obligations under these Terms and Conditions.
- 10.4 Third-Party Beneficiaries. Without limitation of Sections 10.2 and 10.3 under these Terms and Conditions, the Interconnection Customer further agrees that subcontractor consultants hired by NYISO to conduct or review, or to assist in the conducting or reviewing, one or more of the Studies requested under the Interconnection Request shall be deemed third-party beneficiaries of these Sections 10.2 and 10.3 under these Terms and Conditions.
- 10.5 Term and Termination. The obligations to conduct the Studies and under these Terms and Conditions shall be effective from the date hereof and, unless earlier terminated under these Terms and Conditions, shall continue in effect until the

Studies are completed. The Interconnection Customer or NYISO may terminate their obligations under these Terms and Agreement upon the withdrawal of the Interconnection Customer's Interconnection Request under the SGIP.

- 10.6 **Governing Law.** These Terms and Conditions and any study performed thereunder shall be governed by and construed in accordance with the laws of the State of New York, without regard to any choice of laws provisions.
- 10.7 **Severability.** In the event that any part of these Terms and Conditions are deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from these Terms and Conditions and the obligations under these Terms and Conditions shall continue in full force and effect as if each part was not contained herein.
- 10.8 **Amendment.** No amendment, modification, or waiver of any term or condition hereof shall be effective unless set forth in writing and signed by the Interconnection Customer and NYISO hereto.
- 10.9 **Survival.** All warranties, limitations of liability, and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 10.10 **Independent Contractor.** Developer agrees that NYISO shall at all times be deemed to be an independent contractor and none of its employees or the employees of its subcontractors shall be considered to be employees of the Interconnection Customer as a result of performing any work under these Terms and Conditions.
- 10.11 **No Implied Waivers.** The failure of the Interconnection Customer or NYISO to insist upon or enforce strict performance of any of the provisions of these Terms and Conditions shall not be construed as a waiver or relinquishment to any extent of such party's right to insist or rely on any such provision, rights, and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.
- 10.12 **Successors and Assigns.** The obligations under these Terms and Conditions, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Interconnection Customer and NYISO and their respective successors and assigns.

IN WITNESS THEREOF, the Interconnection Customer has agreed to accept and be bound by the Terms and Conditions by its duly authorized officers or agents execution on the day and year first below written.

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____ **Appendix 3 - Certification Codes and Standards**

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems

NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers

IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz)

IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms
NEMA MG 1-1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1

Appendix 4 - Certification of Small Generator Equipment Packages

- 1.0 Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if: (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in SGIP Appendix 3, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.
- 2.0 The Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.
- 3.0 Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.
- 4.0 If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.
- 5.0 Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.
- 6.0 An equipment package does not include equipment provided by the utility.
- 7.0 Any equipment package approved and listed in a state by that state's regulatory body for interconnected operation in that state prior to the effective date of these small generator interconnection procedures shall be considered certified under these procedures for use in that state.

**Appendix 5 - Application, Procedures, and Terms and Conditions for
Interconnecting a Certified Inverter-Based Small Generating Facility No
Larger than 10 kW ("10 kW Inverter Process")**

- 1.0 The Interconnection Customer ("Customer") completes the Interconnection Request ("Application") and submits it to the ISO. The ISO will send a copy to the Connecting Transmission Owner.
- 2.0 The ISO acknowledges to the Customer receipt of the Application within three Business Days of receipt.
- 3.0 The ISO, in consultation with the Connecting Transmission Owner, evaluates the Application for completeness and notifies the Customer within ten Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.
- 4.0 The ISO, in consultation with the Connecting Transmission Owner, verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the SGIP. The ISO has 15 Business Days to complete this process. Unless the ISO, in consultation with the Connecting Transmission Owner, determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, the ISO approves the Application and returns it to the Customer, with a copy to the Connecting Transmission Owner. Note to Customer: Please check with the ISO before submitting the Application if disconnection equipment is required.
- 5.0 After installation, the Customer returns the Certificate of Completion to the ISO, and sends a copy to the Connecting Transmission Owner. Prior to parallel operation, the ISO, in consultation with the Connecting Transmission Owner, may inspect the Small Generating Facility for compliance with standards which may include a Connecting Transmission Owner witness test, and may schedule appropriate metering replacement, if necessary. The Customer shall cooperate with the ISO and the Connecting Transmission Owner to assure that the required inspection, witness test and/or metering replacement are completed within the timeframes outlined below.
- 6.0 The ISO notifies the Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, the Connecting Transmission Owner has the right to disconnect the Small Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. The Connecting Transmission Owner is obligated to complete this witness test within ten Business Days of the receipt of the Certificate of Completion, unless the Connecting Transmission Owner and Customer agree otherwise. If the Connecting Transmission Owner does not inspect within ten Business Days or by mutual agreement of the Parties, the witness test is deemed waived.

- 7.0 Contact Information – The Customer must provide the contact information for the legal applicant (*i.e.*, the Customer). If another entity is responsible for interfacing with the ISO and Connecting Transmission Owner, that contact information must be provided on the Application.
- 8.0 Ownership Information – Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.
- 9.0 UL1741 Listed – This standard (“Inverters, Converters, and Controllers for Use in Independent Power Systems”) addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This “listing” is then marked on the equipment and supporting documentation.
- 10.0 The ISO is available to help resolve any disputes that may arise out of the proposed interconnection, in accordance with the procedures set forth in Section 32.4.2 of the SGIP in Attachment Z of the ISO OATT.

**Application for Interconnecting a Certified Inverter-Based Small Generating Facility
No Larger than 10kW**

This Application is considered complete when it provides all applicable and correct information required below. Per SGIP section 32.1.5, documentation of the site control must be submitted with the Interconnection Request. Additional information to evaluate the Application may be required.

Processing Fee

A non-refundable processing fee of \$100 must accompany this Application.

Interconnection Customer

Name of Interconnection Customer: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____

E-Mail Address: _____

Point of Contact

Name: _____

Company: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____

E-Mail Address: _____

Owner of the facility (include % ownership by any electric utility): _____

Small Generating Facility Information

Location (if different from above): _____

Electric Service Company: _____

Account Number: _____

Inverter Manufacturer: _____ Model _____

Nameplate Rating: _____ (kW) _____ (kVA) _____ (AC Volts)

Single Phase _____ Three Phase _____

System Design Capacity: _____ (kW) _____ (kVA)

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Existing load? Yes ____ No ____

If existing load with metered load data, provide coincident Summer peak load: _____

If new load or existing load without metered load data, provide estimated coincident Summer peak load: _____

Prime Mover: Photovoltaic ☐

Reciprocating Engine ☐

Fuel Cell ☐

Turbine ☐ Other _____

Energy Source: Solar ☐ Wind ☐ Hydro ☐ Diesel ☐ Natural Gas ☐

Fuel Oil ☐ Other (describe) _____

Is the equipment UL1741 Listed? Yes ____ No ____

If Yes, attach manufacturer's cut-sheet showing UL1741 listing

Estimated Installation Date: _____ Estimated In-Service Date: _____

The 10kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10kW that meet the codes, standards, and certification requirements of Appendices 3 and 4 of the SGIP, or the ISO, in consultation with the Connecting Transmission Owner, has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate. If the review or testing raises safety issues, the Small Generating Facility will not be allowed to commence parallel operation until the issues are resolved.

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type

Certifying Entity

1. _____

2. _____

3. _____

4. _____
5. _____

Interconnection Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signed: _____

Title: _____ Date: _____

Contingent Approval to Interconnect the Small Generating Facility

(For ISO and Connecting Transmission Owner use only)

Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return of the Certificate of Completion.

Connecting Transmission Owner Signature:

Title: _____ Date: _____

Connecting Transmission Owner waives inspection/witness test Yes___ No___

ISO Signature: _____

Title: _____ Date: _____

Small Generating Facility Certificate of Completion

Is the Small Generating Facility owner-installed? Yes_____ No _____

Interconnection Customer: _____

Contact Person: _____

Address: _____

Location of the Small Generating Facility (if different from above):

City:_____ State:_____ Zip Code:_____

Telephone:_____

E-Mail Address:_____

Electrician:

Name:_____

Address:_____

City:_____ State:_____ Zip Code:_____

Telephone:_____

E-Mail Address:_____

License number:_____

Date Approval to Install Facility granted by the Connecting Transmission Owner:

Inspection:

The Small Generating Facility has been installed and inspected in compliance with the local building/electrical code of _____

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

Print Name:_____

Date:_____

As a condition of interconnection, you are required to send a copy of this form along with a copy of the signed electrical permit to the ISO and the Connecting Transmission Owner (insert contact information below):

Name:_____

NYISO:_____

Address:_____

City, State ZIP:_____

E-mail:_____

Name:_____

Connecting Transmission Owner:_____

Address:_____

City, State ZIP:_____

E-mail:_____

Approval to Energize the Small Generating Facility (For ISO and Connecting Transmission Owner use only)

Energizing the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

ISO Signature:_____

Title:_____ Date: _____

Connecting Transmission Owner Signature:_____

Title:_____ Date: _____

**Terms and Conditions for Interconnecting an Inverter-Based
Small Generating Facility No Larger than 10kW (“Terms and Conditions”)**

1.0 Construction of the Facility

The Interconnection Customer (the “Customer”) may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when the ISO approves the Interconnection Request (the “Application”) and returns it to the Customer.

2.0 Interconnection and Operation

The Customer may operate Small Generating Facility and interconnect with the Connecting Transmission Owner’s Distribution System once all of the following have occurred:

2.1 Upon completing construction, the Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and

2.2 The Customer returns the Certificate of Completion to the ISO and the Connecting Transmission Owner, and

2.3 The Connecting Transmission Owner has either:

2.3.1 Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Connecting Transmission Owner, at its own expense, within ten Business Days (unless the Parties agree otherwise) after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Connecting Transmission Owner shall provide a written statement that the Small Generating Facility has passed inspection or shall notify the Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or

2.3.2 If the Connecting Transmission Owner does not schedule an inspection of the Small Generating Facility within ten business days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise), unless the Interconnection Customer has not provided a reasonable opportunity for such inspection; or

2.3.3 The Connecting Transmission Owner waives the right to inspect the Small Generating Facility.

2.4 The Connecting Transmission Owner has the right to disconnect the Small Generating Facility in the event of improper installation or failure to return the Certificate of Completion.

2.5 Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards.

3.0 **Safe Operations and Maintenance**

The Customer shall be fully responsible to operate, maintain, and repair the Small Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.

4.0 **Access**

The Connecting Transmission Owner shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. The Connecting Transmission Owner shall provide reasonable notice to the Customer when possible prior to using its right of access.

5.0 **Disconnection**

The Connecting Transmission Owner may temporarily disconnect the Small Generating Facility upon the following conditions, until the conditions no longer exist:

5.1 For scheduled outages upon reasonable notice.

5.2 For unscheduled outages or emergency conditions.

5.3 If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions, the ISO OATT and Applicable Reliability Standards.

5.4 The Connecting Transmission Owner shall inform the Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

6.0 **Indemnification**

The Parties shall at all times indemnify, defend, and save the other Parties harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the indemnified Party's action or inactions of its obligations under this agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.0 **Insurance**

The Interconnection Customer and Connecting Transmission Owner shall each follow all applicable insurance requirements imposed by New York State. All insurance policies must be maintained with insurers authorized to do business in New York State, and all policies must be in place ten Business Days prior to the operation of the Inverter-Based Small Generating Facility. The Interconnection Customer and Connecting Transmission Owner shall notify each other whenever

an accident or incident recurs that is covered by such insurance, whether or not such coverage is sought. The Interconnection Customer's insurance requirements shall be specified in an attachment to these Terms and Conditions.

8.0 Limitation of Liability

Each Party's liability to the other Parties for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall any Party be liable to any other Parties for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.

9.0 Termination

The agreement to operate in parallel shall become effective when executed by the Parties and shall continue in effect until _____. The agreement may be terminated earlier under the following conditions:

9.1 By the Customer

By providing written notice to the NYISO and the Connecting Transmission Owner.

9.2 By the ISO and the Connecting Transmission Owner

If the Small Generating Facility fails to operate for any consecutive 12 month period or the Customer fails to remedy a violation of these Terms and Conditions.

9.3 Permanent Disconnection

In the event this Agreement is terminated, the Connecting Transmission Owner shall have the right to disconnect its facilities or direct the Customer to disconnect its Small Generating Facility.

9.4 Survival Rights

This Agreement shall continue in effect after termination to the extent necessary to allow or require any Party to fulfill rights or obligations that arose under the Agreement.

10.0 Assignment/Transfer of Ownership of the Facility

This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the NYISO and the Connecting Transmission Owner.

Interconnection Customer:

Connecting Transmission Owner:

By: _____

By: _____

Name: _____

Date: _____

Name: _____

Date: _____

New York Independent System Operator, Inc.

By: _____

Name: _____

Date: _____

Appendix 6 - Facilities Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____, 20____ by and among _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer”), the New York Independent System Operator, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York (“NYISO”) and _____, a _____ existing under the laws of the State of New York (“Connecting Transmission Owner”). Interconnection Customer, the NYISO and the Connecting Transmission Owner each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the New York State Transmission System or the Distribution System;

WHEREAS, the NYISO has completed a system impact study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer elects to be evaluated for [_____] Interconnection Service, and has requested the NYISO to perform, or cause to be performed, a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to physically and electrically connect the Small Generating Facility with the New York State Transmission System or the Distribution System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in Section 32.1.1.2 of the SGIP.
- 2.0 The Interconnection Customer elects and the NYISO shall cause a facilities study to be performed in accordance with the requirements of Attachment Z of the NYISO Open Access Transmission Tariff.
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement and shall be made an exhibit thereto.
- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the

conclusions of the system impact study(s) and to complete any additional power flow and other analysis, including deliverability analysis, that may be appropriate. The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Connecting Transmission Owner's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

- 5.0 The Connecting Transmission Owner may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities in accordance with the SGIP.
- 6.0 The Interconnection Customer shall provide to the NYISO a deposit or other commercially reasonable security in an amount equal to the good faith estimated facilities study costs.
- 7.0 Except to the extent required by the ISO OATT Attachment S Class Year study and cost allocation process, in cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.
- 8.0 Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Interconnection Customer may, within 30 Calendar Days after receipt of the draft report, provide written comments to the NYISO, which the NYISO shall include in the final report. The NYISO shall issue the final facilities study report within 15 Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. The NYISO may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require the NYISO to perform additional analyses or make other significant modifications prior to the issuance of the final facilities study report. Upon request, the NYISO shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the facilities study, subject to confidentiality arrangements consistent with Section 32.4.5 of the SGIP.
- 10.0 Within ten Business Days of providing a draft facilities study report to Interconnection Customer, the NYISO, the Connecting Transmission Owner, and Interconnection Customer shall meet to discuss the results of the facilities study.

- 11.0 Except for study costs allocated to the Interconnection Customer as a member of a Class Year, any Connecting Transmission Owner and NYISO that incurs study costs shall be based on their actual costs, including applicable taxes, and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer shall pay all invoice amounts in excess of the deposit or other security without interest within 30 calendar days after receipt of the invoice. If the deposit or other cash security exceeds the invoiced fees, the NYISO shall refund such excess within 30 calendar days of the invoice without interest. If the Interconnection Customer disputes an amount to be paid the Interconnection Customer shall pay the disputed amount to the NYISO or into an interest bearing escrow account, pending resolution of the dispute in accordance with Section 32.4.2 of the SGIP. To the extent the dispute is resolved in the Interconnection Customer's favor, that portion of the disputed amount will be returned to the Interconnection Customer with interest at rates applicable to refunds under the Commission's regulations. To the extent the dispute is resolved in the NYISO's favor, that portion of any escrowed funds and interest will be released to the NYISO. The Connecting Transmission Owner and the NYISO shall not be obligated to perform or continue to perform any Interconnection Study work for the Interconnection Customer unless the Interconnection Customer has paid all amounts in compliance herewith.
- 13.0 Governing Law, Regulatory Authority, and Rules. The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of New York, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 14.0 Amendment. The Parties may amend this Agreement by a written instrument duly executed by the Parties.
- 15.0 No Third-Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.
- 16.0 Waiver
- 16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 16.2 Any waiver at any time by a Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement.

Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the NYISO. Any waiver of this Agreement shall, if requested, be provided in writing.

- 17.0 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 18.0 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.
- 19.0 Severability. If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.
- 20.0 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Parties for the performance of such subcontractor.
- 20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the NYISO or the Connecting Transmission Owner be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.
- 21.0 Reservation of Rights. Nothing in this Agreement shall alter the right of the NYISO or Connecting Transmission Owner to make unilateral filings with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under Section 205 or any other applicable provision of the

Federal Power Act and FERC's rules and regulations thereunder which rights are expressly reserved herein, and the existing rights of Interconnection Customer to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations are also expressly reserved herein; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under Sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Connecting Transmission Owner]

Signed_____

Name (Printed):

Title_____

[Insert name of Interconnection Customer]

Signed_____

Name (Printed):

Title_____

New York Independent System Operator, Inc.

Signed_____

Name (Printed):

Title_____

Attachment A to Facilities Study Agreement

Data to Be Provided by the Interconnection Customer with the Facilities Study Agreement

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

Specify your Interconnection Service evaluation election as either Energy Resource Interconnection Service ("ERIS") alone, or for both ERIS and some level of Capacity Resource Interconnection Service ("CRIS"); provided however that CRIS may not exceed 2 MW and may only be requested for a Small Generating Facility that is no larger than 2 MW.

Evaluation Election: _____

One set of metering is required for each generation connection to the new ring bus or existing Connecting Transmission Owner station. Number of generation connections: _____

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes ____ No ____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes ____ No ____

(If Yes, indicate on the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Bus length from generation to interconnection station:

Physical dimensions of the proposed interconnection station:

Line length from interconnection station to Connecting Transmission Owner's transmission line.

Tower number observed in the field. (Painted on tower leg):

Number of third party easements required for transmission lines, if known:

Is the Small Generating Facility located in Connecting Transmission Owner's service area?

Yes _____ No _____ If No, please provide name of local provider:

Please provide the following proposed schedule dates:

Begin Construction Date: _____

In-Service Date: _____

Initial Synchronization Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____

**Appendix 7 - STANDARD SMALL GENERATOR INTERCONNECTION
AGREEMENT (SGIA) (Applicable To Generating Facilities No Larger
Than 20 MW)**

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This Standard Small Generator Interconnection Agreement (“Agreement” or “SGIA”) is made and entered into this ____ day of _____, 20__, by and among the New York Independent System Operator, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York (“NYISO”) and _____ a _____ organized and existing under the laws of the State of New York (“Connecting Transmission Owner”), and _____, a _____ organized and existing under the laws of the State of _____ (“Interconnection Customer”) each hereinafter sometimes referred to individually as “Party” or referred to collectively as the “Parties.”

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1 Scope and Limitations of Agreement

1.1 Applicability

This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.

1.2 Purpose

This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the New York State Transmission System or the Distribution System.

1.3 Scope of Interconnection Service

1.3.1 The NYISO will provide [] Interconnection Service to Interconnection Customer at the Point of Interconnection.

1.3.2 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any, or applicable provisions of NYISO's or Connecting Transmission Owner's tariffs. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity in accordance with the applicable provisions of the ISO OATT and Connecting Transmission Owner's tariff. The execution of this Agreement does not constitute a request for, nor agreement to, provide Energy, any Ancillary Services or Installed Capacity under the NYISO Services Tariff or any Connecting Transmission Owner's tariff. If Interconnection Customer wishes to supply or purchase Energy, Installed Capacity or Ancillary Services, then Interconnection Customer will make application to do so in accordance with the NYISO Services Tariff or Connecting Transmission Owner's tariff.

1.4 Limitations

Nothing in this Agreement is intended to affect any other agreement by and among the NYISO, Connecting Transmission Owner and the Interconnection Customer, except as otherwise expressly provided herein.

1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its

Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

- 1.5.3 The Connecting Transmission Owner shall construct, operate, and maintain its Interconnection Facilities and Upgrades covered by this Agreement in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Connecting Transmission Owner or Affected Systems.
- 1.5.5 The Connecting Transmission Owner and Interconnection Customer shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each of those Parties shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Connecting Transmission Owner and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Connecting Transmission Owner's electric system, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6 The NYISO shall coordinate with all Affected Systems to support the interconnection. The Connecting Transmission Owner shall cooperate with the NYISO in these efforts.
- 1.5.7 The Interconnection Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of its Small Generating Facility. The Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Connecting Transmission Owner and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to section 2.1 of this agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The Small Generating Facility's protective equipment settings shall comply with the Transmission Owner's automatic load-shed program. The Transmission Owner

shall review the protective equipment settings to confirm compliance with the automatic load-shed program. The term “ride through” as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Owner and any Affected Systems during system disturbances within a range of conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority on a comparable basis. The term “frequency ride through” as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Owner and any Affected Systems during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The term “voltage ride through” as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Owner and any Affected Systems during system disturbances within a range of under-voltage and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to: (1) the rules and procedures concerning the operation of generation set forth in the NYISO tariffs or ISO Procedures or the Connecting Transmission Owner’s tariff; (2) any requirements consistent with Good Utility Practice or that are necessary to ensure the safe and reliable operation of the Transmission System or Distribution System; and (3) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Connecting Transmission Owner’s reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer’s metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the NYISO or the Transmission Owner in whose Transmission District the Small Generating Facility interconnects has established different requirements that apply to all similarly situated generators in the New York Control Area or Transmission District (as applicable) on a comparable basis, in accordance with Good Utility Practice.

1.8.1.2 Non-Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the NYISO or the Transmission Owner in whose Transmission District the Small Generating Facility interconnects has established a different power factor range that applies to all similarly situated non-synchronous generators in the control area or Transmission District (as applicable) on a comparable basis, in accordance with Good Utility Practice. This power factor range standard shall ~~by~~be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of September 21, 2016.

1.8.2 The NYISO is required to pay the Interconnection Customer for reactive power, or voltage support service, that the Interconnection Customer provides from the Small Generating Facility in accordance with Rate Schedule 2 of the NYISO Services Tariff.

1.8.3 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved Applicable Reliability Standard providing for equivalent or more stringent

parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved Applicable Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved Applicable Reliability Standard providing for an equivalent or more stringent parameter.

Interconnection Customer shall notify NYISO that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the New York State Transmission System, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Articles 1.8.3.1 and 1.8.3.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.3.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the New York State Transmission System, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with NYISO, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved Applicable Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor and equivalent controls to NYISO and/or the Connecting Transmission Owner upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify NYISO and the Connecting Transmission Owner, and provide both with the following information: (1) the operating status of the governor or equivalent controls (*i.e.*, whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility's governor or equivalent controls

to a minimum whenever the Small Generating Facility is operated in parallel with the New York State Transmission System.

1.8.3.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. An Applicable Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

1.8.3.3 Exemptions. Small Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 1.8.3, 1.8.3.1, and 1.8.3.2 of this Agreement. Small Generating Facilities that are behind the meter generation that is sized-to-load (*i.e.*, the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability requirements in accordance with the droop and deadband capability requirements specified in Article 1.8.3, but shall be otherwise exempt from the operating requirements in Articles 1.8.3, 1.8.3.1, 1.8.3.2, and 1.8.3.4 of this Agreement.

1.8.3.4 Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 of its SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 1.8.3, 1.8.3.1, 1.8.3.2, and 1.8.3.3 of this Agreement. Attachment 5 shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resources due to manufacturer specification; and (6) any other relevant factors agreed to by the NYISO, Connecting Transmission Owner, and Interconnection Customer. If the operating range is dynamic, then Attachment 5

must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Article 1.8.3.2 of this Agreement when it is online and dispatched to inject electricity to the New York State Transmission System and/or receive electricity from the New York State Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the New York State Transmission System and/or dispatched to receive electricity from the New York State Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

1.9 Capitalized Terms

Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement. Capitalized terms used herein that are not so defined shall have the meanings specified in Appendix 1 of Attachment Z, Section 25.1.2 of Attachment S, or Section 30.1 of Attachment X of the ISO OATT.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

- 2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the NYISO and the Connecting Transmission Owner of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Connecting Transmission Owner may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the NYISO and Connecting Transmission Owner a written test report when such testing and inspection is completed. The Small Generating Facility may not commence parallel operations if the NYISO, in consultation with the Connecting Transmission Owner, finds that the Small Generating Facility has not been installed as agreed upon or may not be operated in a safe and reliable manner.
- 2.1.2 The NYISO and Connecting Transmission Owner shall each provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the NYISO or Connecting Transmission Owner of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

- 2.2.1 The NYISO, in consultation with the Connecting Transmission Owner, shall use Reasonable Efforts to list applicable parallel Operating Requirements in Attachment 5 of this Agreement. Additionally, the NYISO, in consultation with the Connecting Transmission Owner, shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The NYISO and Connecting Transmission Owner shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.
- 2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the New York State Transmission System or the Distribution System without prior written authorization of the NYISO. The NYISO, in consultation with the Connecting Transmission Owner, will provide such authorization once the NYISO receives notification that the Interconnection Customer has complied with all applicable parallel Operating Requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

- 2.3.1 Upon reasonable notice, the NYISO and/or Connecting Transmission Owner may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the NYISO and Connecting Transmission Owner at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.
- 2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the NYISO and Connecting Transmission Owner each shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on them by this Agreement or if necessary to meet their legal obligation to provide service to their customers.
- 2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3 Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The NYISO and Connecting Transmission Owner shall promptly file, or cause to be filed, this Agreement with FERC upon execution, if required. If the Agreement is disputed and the Interconnection Customer requests that it be filed with FERC in an unexecuted form, the NYISO shall file, or cause to be filed, this Agreement and the NYISO shall identify the disputed language.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

- 3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the NYISO and Connecting Transmission Owner 20 Business Days written notice. The NYISO may terminate this Agreement after the Small Generating Facility is Retired.
- 3.3.2 Any Party may terminate this Agreement after Default pursuant to article 7.6.
- 3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the New York State Transmission System or the Distribution System, as applicable. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.
- 3.3.4 The termination of this Agreement shall not relieve any Party of its liabilities and obligations, owed or continuing at the time of the termination. The Interconnection Customer shall pay all amounts in excess of any deposit or other security without interest within 30 calendar days after receipt of the invoice for such amounts. If the deposit or other security exceeds the invoice, the Connecting Transmission Owner shall refund such excess within 30 calendar days of the invoice without interest. If the Interconnection Customer disputes an amount to

be paid the Interconnection Customer shall pay the disputed amount to the Connecting Transmission Owner or into an interest bearing escrow account, pending resolution of the dispute in accordance with Article 10 of this Agreement. To the extent the dispute is resolved in the Interconnection Customer's favor, that portion of the disputed amount will be returned to the Interconnection Customer with interest at rates applicable to refunds under the Commission's regulations. To the extent the dispute is resolved in the Connecting Transmission Owner's favor, that portion of any escrowed funds and interest will be released to the Connecting Transmission Owner.

3.3.5 The limitations of liability, indemnification and confidentiality provisions of this Agreement shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions

"Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the NYISO or Connecting Transmission Owner, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the New York State Transmission System or Distribution System, the Connecting Transmission Owner's Interconnection Facilities or the electric systems of others to which the New York State Transmission System or Distribution System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the NYISO or Connecting Transmission Owner may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The NYISO or Connecting Transmission Owner shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the NYISO and Connecting Transmission Owner promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the New York State Transmission System or Distribution System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of each Party's facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The NYISO or Connecting Transmission Owner may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the New York State Transmission System or Distribution System when

necessary for routine maintenance, construction, and repairs on the New York State Transmission System or Distribution System. The NYISO or the Connecting Transmission Owner shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The NYISO and Connecting Transmission Owner shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the NYISO or Connecting Transmission Owner may suspend interconnection service to the Interconnection Customer to effect immediate repairs on the New York State Transmission System or the Distribution System. The NYISO shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the NYISO shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The NYISO or Connecting Transmission Owner shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the New York State Transmission System, the Distribution System or Affected Systems, or if disconnection is otherwise required under Applicable Reliability Standards or the ISO OATT. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the NYISO or Connecting Transmission Owner may disconnect the Small Generating Facility. The NYISO or Connecting Transmission Owner shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the NYISO and Connecting Transmission Owner before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the New York State Transmission System or the Distribution System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the prior written authorization of the NYISO and Connecting Transmission Owner, the Connecting Transmission Owner shall have the right to temporarily disconnect the Small Generating Facility. If disconnected, the Small Generating Facility will not be reconnected until the unauthorized modifications are authorized or removed.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the New York State Transmission System and Distribution System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

- 4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The NYISO, in consultation with the Connecting Transmission Owner, shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, the NYISO, and the Connecting Transmission Owner.
- 4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Connecting Transmission Owner's Interconnection Facilities, as set forth in Attachment 2 to this Agreement.

4.2 Distribution Upgrades

The Connecting Transmission Owner shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Connecting Transmission Owner and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades ~~that are located on land owned by the Interconnection Customer~~. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer. The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with owning, operating, maintaining, repairing, and replacing the Distribution Upgrades, as set forth in Attachment 6 to this Agreement.

Article 5. Cost Responsibility for System Upgrade Facilities and System Deliverability Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires System Upgrade Facilities or System Deliverability Upgrades.

5.2 System Upgrades

The Connecting Transmission Owner shall procure, construct, install, and own the System Upgrade Facilities and System Deliverability Upgrades described in Attachment 6 of this Agreement. To the extent that design work is necessary in addition to that already accomplished in the Class Year Interconnection Facilities Study for the Interconnection Customer, the Connecting Transmission Owner shall perform or cause to be performed such work. If all the Parties agree, the Interconnection Customer may construct System Upgrade Facilities and System Deliverability Upgrades ~~that are located on land owned by the Interconnection Customer.~~

- 5.2.1 As described in Section 32.3.5.3 of the SGIP in Attachment Z of the ISO OATT, the responsibility of the Interconnection Customer for the cost of the System Upgrade Facilities and System Deliverability Upgrades described in Attachment 6 of this Agreement shall be determined in accordance with Attachment S of the ISO OATT, as required by Section 32.3.5.3.2 of Attachment Z. The Interconnection Customer shall be responsible for all System Upgrade Facility costs as required by Section 32.3.5.3.2 of Attachment Z or its share of any System Upgrade Facilities and System Deliverability Upgrades costs resulting from the final Attachment S process, as applicable, and Attachment 6 to this Agreement shall be revised accordingly.
- 5.2.2 Pending the outcome of the Attachment S cost allocation process, if applicable, the Interconnection Customer may elect to proceed with the interconnection of its Small Generating Facility in accordance with Section 32.3.5.3 of the SGIP.

5.3 Special Provisions for Affected Systems

For the repayment of amounts advanced to the Affected System Operator for System Upgrade Facilities or System Deliverability Upgrades, the Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment, but only if responsibility for the cost of such System Upgrade Facilities is not to be allocated in accordance with Attachment S of the ISO OATT. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

- 6.1.1 The Connecting Transmission Owner shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by those Parties. The Interconnection Customer shall pay all invoice amounts within 30 calendar days after receipt of the invoice.
- 6.1.2 Within three months of completing the construction and installation of the Connecting Transmission Owner's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Connecting Transmission Owner shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Connecting Transmission Owner for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Connecting Transmission Owner shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Connecting Transmission Owner within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Connecting Transmission Owner shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.
- 6.1.3 If the Interconnection Customer disputes an amount to be paid, the Interconnection Customer shall pay the disputed amount to the Connecting Transmission Owner or into an interest bearing escrow account, pending resolution of the dispute in accordance with Article 10 of this Agreement. To the extent the dispute is resolved in the Interconnection Customer's favor, that portion of the disputed amount will be credited or returned to the Interconnection Customer with interest at rates applicable to refunds under the Commission's regulations. To the extent the dispute is resolved in the Connecting Transmission Owner's favor, that portion of any escrowed funds and interest will be released to the Connecting Transmission Owner.

6.2 Milestones

Subject to the provisions of the SGIP, the Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure event, it shall immediately notify the other Parties of the reason(s) for not meeting the milestone and: (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone

shall not unreasonably withhold agreement to such an amendment unless: (1) it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Connecting Transmission Owner's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Connecting Transmission Owner, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Connecting Transmission Owner and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Connecting Transmission Owner's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Connecting Transmission Owner under this Agreement during its term. The Connecting Transmission Owner may draw on any such security to the extent that the Interconnection Customer fails to make any payments due under this Agreement. In addition:

- 6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Connecting Transmission Owner, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.
- 6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Connecting Transmission Owner and must specify a reasonable expiration date.
- 6.3.3 Notwithstanding the above, Security posted for System Upgrade Facilities for a Small Generating Facility required to enter the Class Year process, or cash or Security provided for System Deliverability Upgrades, shall meet the requirements for Security contained in Attachment S to the ISO OATT.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

This Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. This Agreement may be assigned by any Party upon 15 Business Days prior written notice and opportunity to object by the other Parties; provided that:

- 7.1.1 A Party may assign this Agreement without the consent of the other Parties to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the NYISO and the Connecting Transmission Owner of any such assignment. A Party may assign this Agreement without the consent of the other Parties in connection with the sale, merger, restructuring, or transfer of a substantial portion of all of its assets, including the Interconnection Facilities it owns, so long as the assignee in such a transaction directly assumes all rights, duties and obligation arising under this Agreement.
- 7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the NYISO or Connecting Transmission Owner, for collateral security purposes to aid in providing financing for the Small Generating Facility.
- 7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Parties for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall any Party be liable to the other Parties for any indirect, special, consequential, or punitive damages.

7.3 Indemnity

- 7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

- 7.3.2 Each Party (the “Indemnifying Party”) shall at all times indemnify, defend, and hold harmless the other Parties (each an “Indemnified Party”) from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, the alleged violation of any Environmental Law, or the release or threatened release of any Hazardous Substance, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties (any and all of these a “Loss”), arising out of or resulting from: (i) the Indemnified Party’s performance under this Agreement on behalf of the Indemnifying Party, except in cases where the Indemnifying Party can demonstrate that the Loss of the Indemnified Party was caused by the gross negligence or intentional wrongdoing by the Indemnified Party, or (ii) the violation by the Indemnifying Party of any Environmental Law or the release by the Indemnifying Party of a Hazardous Substance.
- 7.3.3 If a Party is entitled to indemnification under this article as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 7.3.4 If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this article, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party’s actual loss, net of any insurance or other recovery.
- 7.3.5 Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party’s indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, no Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

- 7.5.1 As used in this article, a “Force Majeure Event” shall mean “any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party’s control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing.” For the purposes of this article, this definition of Force Majeure shall supersede the definitions of Force Majeure set out in Section 32.10.1 of the ISO OATT.
- 7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (“Affected Party”) shall promptly notify the other Parties, either in writing or via the telephone, of the existence of the Force Majeure ~~Event~~event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Parties informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Breach and Default

- 7.6.1 No Breach of this Agreement shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event or the result of an act or omission of the other Parties. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the Breaching Party. Except as provided in article 7.6.2, the Breaching Party shall have 60 calendar days from receipt of the Breach notice within which to cure such Breach; provided however, if such Breach is not capable of cure within 60 calendar days, the Breaching Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.
- 7.6.2 If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, a Default shall exist and the non-defaulting Parties acting together shall thereafter have the right to terminate this Agreement, in accordance with article 3.3 hereof, by written notice to the defaulting Party at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not those Parties terminate this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other

damages and remedies to which they are entitled at law or in equity. The provisions of this article shall survive termination of this Agreement.

- 7.6.3 In cases where the Interconnection Customer has elected to proceed under Section 32.3.5.3 of the SGIP, if the Interconnection Request is withdrawn or deemed withdrawn pursuant to the SGIP during the term of this Agreement, this Agreement shall terminate.

Article 8. Insurance

- 8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. Such insurance coverage is specified in Attachment 7 to this Agreement. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in New York State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Connecting Transmission Owner, except that the Interconnection Customer shall show proof of insurance to the Connecting Transmission Owner no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient creditworthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2 The NYISO and Connecting Transmission Owner agree to maintain general liability insurance or self-insurance consistent with the existing commercial practice. Such insurance or self-insurance shall not exclude the liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify one another whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated “Confidential.” For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such. Confidential Information shall include, without limitation, information designated as such by the NYISO Code of Conduct contained in Attachment F to the ISO OATT.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
- 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Parties as it employs to protect its own Confidential Information.
- 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Each Party is prohibited from notifying the other Parties to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Parties to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.
- 9.4 Consistent with the provisions of this article 9, the Parties to this Agreement will cooperate in good faith to provide each other, Affected Systems, Affected System

Operators, and state and federal regulators the information necessary to carry out the terms of the SGIP and this Agreement.

Article 10. Disputes

- 10.1 The NYISO, Connecting Transmission Owner and Interconnection Customer agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2 In the event of a dispute, the Parties will first attempt to promptly resolve it on an informal basis. The NYISO will be available to the Interconnection Customer and Connecting Transmission Owner to help resolve any dispute that arises with respect to performance under this Agreement. If the Parties cannot promptly resolve the dispute on an informal basis, then any Party shall provide the other Parties with a written Notice of Dispute. Such notice shall describe in detail the nature of the dispute.
- 10.3 If the dispute has not been resolved within two Business Days after receipt of the notice, any Party may contact FERC's Dispute Resolution Service ("DRS") for assistance in resolving the dispute.
- 10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. The result of this dispute resolution process will be binding only if the Parties agree in advance. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-third of any costs paid to neutral third-parties.
- 10.6 If any Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then any Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other Parties to maintain the other Parties' tax status. Nothing in this Agreement is intended to adversely affect the tax status of any Party including the status of NYISO, or the status of any Connecting Transmission Owner with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds. Notwithstanding any other provisions of this Agreement, LIPA, NYPA and Consolidated Edison Company of New York, Inc. shall not be required to comply with any provisions of this Agreement that would result in the loss of tax-exempt status of any of their Tax-Exempt Bonds or impair their ability to issue future tax-exempt obligations. For purposes of this provision, Tax-Exempt Bonds shall include the obligations of the Long Island Power Authority, NYPA and Consolidated Edison Company of New York, Inc., the interest on which is not included in gross income under the Internal Revenue Code.
- 11.3 LIPA and NYPA do not waive their exemptions, pursuant to Section 201(f) of the FPA, from Commission jurisdiction with respect to the Commission's exercise of the FPA's general ratemaking authority.
- 11.4 Any payments due to the Connecting Transmission Owner under this Agreement shall be adjusted to include any tax liability incurred by the Connecting Transmission Owner with respect to the interconnection request which is the subject of this Agreement. Such adjustments shall be made in accordance with the provisions of Article 5.17 of the LGIA in Attachment X of the ISO OATT. Except where otherwise noted, all costs, deposits, financial obligations and the like specified in this Agreement shall be assumed not to reflect the impact of applicable taxes.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of New York, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by the Parties, or under article 12.12 of this Agreement.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns. Notwithstanding the foregoing, any subcontractor of the Connecting Transmission Owner or NYISO assisting either of those Parties with the Interconnection Request covered by this Agreement shall be entitled to the benefits of indemnification provided for under Article 7.3 of this Agreement and the limitation of liability provided for in Article 7.2 of this Agreement.

12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by a Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the NYISO. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects the NYISO, the Connecting Transmission Owner, Market Participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Parties, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Parties. The notifying Party shall: (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Parties copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided,

however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Parties for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Parties to the extent provided for in [Articles Sections 32.7.2](#) and [32.7.3](#) above for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the NYISO or Connecting Transmission Owner be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

Nothing in this Agreement shall alter the right of the NYISO or Connecting Transmission Owner to make unilateral filings with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under Section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder which rights are expressly reserved herein, and the existing rights of the Interconnection Customer to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations are also expressly reserved herein; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under Sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement shall be deemed properly given if delivered in person, delivered by recognized national ~~carrier~~courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer:

Attention:

Address:

City: State: Zip:

Phone:

If to the Connecting Transmission Owner:

Connecting Transmission Owner:

Attention:

Address:

City: State: Zip:

Phone:

If to the NYISO:

Attention:

Address:

City: State: Zip: :

Phone:

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer:

Attention:

Address:

City: State: Zip:

Connecting Transmission Owner:

Attention:

Address:
City: State: Zip:

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer:
Attention:
Address:
City: State: Zip:
Phone:
E-mail:

If to the Connecting Transmission Owner:

Connecting Transmission Owner:
Attention:
Address:
City: State: Zip:
Phone:
E-mail:

If to the NYISO:

Attention:
Address:
City: State: Zip:
Phone:
E-mail: interconnectionsupport@nyiso.com

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer:

Attention:
Address:
City: State: Zip:
Phone:
E-mail:

Connecting Transmission Owner's Operating Representative:

Connecting Transmission Owner:

Attention:
Address:
City: State: Zip:
Phone:
E-mail:

NYISO's Operating Representative:

Attention:
Address:
City: State: Zip:
Phone:
E-mail: interconnectionsupport@nyiso.com

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

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

For the New York Independent System Operator, Inc.

By: _____

Name: _____

Title: _____

Date: _____

For the Connecting Transmission Owner

By: _____

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

By: _____

Name: _____

Title: _____

Date: _____

Attachment 1 - Glossary of Terms

Affected System – An electric system other than the transmission system owned, controlled or operated by the Connecting Transmission Owner that may be affected by the proposed interconnection.

Affected System Operator – Affected System Operator shall mean the operator of any Affected System.

Affected Transmission Owner – The New York public utility or authority (or its designated agent) other than the Connecting Transmission Owner that: (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff, and (ii) owns, leases or otherwise possesses an interest in a portion of the New York State Transmission System where System Deliverability Upgrades or System Upgrade Facilities are installed pursuant to Attachment Z and Attachment S to the ISO OATT.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority, including but not limited to Environmental Law.

Applicable Reliability Standards – The criteria, requirements and guidelines of the North American Electric Reliability Council, the Northeast Power Coordinating Council, the New York State Reliability Council and related and successor organizations, or the Transmission District to which the Interconnection Customer's Small Generating Facility is directly interconnected, as those criteria, requirements and guidelines are amended and modified and in effect from time to time; provided that no Party shall waive its right to challenge the applicability of or validity of any criterion, requirement or guideline as applied to it in the context of Attachment Z to the ISO OATT and this Agreement. For the purposes of this Agreement, this definition of Applicable Reliability Standards shall supersede the definition of Applicable Reliability Standards set out in Attachment X to the ISO OATT.

Base Case – The base case power flow, short circuit, and stability data bases used for the Interconnection Studies by NYISO, Connecting Transmission Owner or Interconnection Customer; described in Section 32.2.3 of the Large Facility Interconnection Procedures.

Breach - The failure of a Party to perform or observe any material term or condition of this Agreement.

Business Day – Monday through Friday, excluding federal holidays.

Capacity Resource Interconnection Service – The service provided by NYISO to Interconnection Customers that satisfy the NYISO Deliverability Interconnection Standard or that are otherwise eligible to receive CRIS in accordance with Attachment S to the ISO OATT; such service being one of the eligibility requirements for participation as a NYISO Installed Capacity Supplier.

Commercial Operation shall mean the status of the Small Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation, notice of which must be provided to the NYISO in the form of Attachment 9 to this Agreement.

Commercial Operation Date of a unit shall mean the date on which the Large Generating Facility commences Commercial Operation as agreed to by the Parties, notice of which must be provided to the NYISO in the form of Attachment 9 to this Agreement.

Connecting Transmission Owner – The New York public utility or authority (or its designated agent) that: (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff, (ii) owns, leases or otherwise possesses an interest in the portion of the New York State Transmission System or Distribution System at the Point of Interconnection, and (iii) is a Party to the Standard Small Generator Interconnection Agreement.

Default – The failure of a Party in Breach of this Agreement to cure such Breach under the Small Generator Interconnection Agreement.

Distribution System – The Transmission Owner’s facilities and equipment used to distribute electricity that are subject to FERC jurisdiction, and are subject to the NYISO’s Large Facility Interconnection Procedures in Attachment X to the ISO OATT or Small Generator Interconnection Procedures in Attachment Z to the ISO OATT under FERC Order Nos. 2003 and/or 2006. For the purpose of this Agreement, the term Distribution System shall not include LIPA’s distribution facilities.

Distribution Upgrades – The additions, modifications, and upgrades to the Connecting Transmission Owner’s Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer’s wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities or System Upgrade Facilities or System Deliverability Upgrades.

Energy Resource Interconnection Service – The service provided by NYISO to interconnect the Interconnection Customer’s Small Generating Facility to the New York State Transmission System or Distribution System in accordance with the NYISO Minimum Interconnection Standard, to enable the New York State Transmission System to receive Energy and Ancillary Services from the Small Generating Facility, pursuant to the terms of the ISO OATT.

Force Majeure – Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party’s control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. For the purposes of this Agreement, this definition of Force Majeure shall supersede the definitions of Force Majeure set out in Section 32.2.11 of the NYISO Open Access Transmission Tariff.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, NYISO, Affected Transmission Owner, Connecting Transmission Owner or any Affiliate thereof.

Initial Synchronization Date shall mean the date upon which the Small Generating Facility is initially synchronized and upon which Trial Operation begins, notice of which must be provided to the NYISO in the form of Attachment 9.

In-Service Date shall mean the date upon which the Developer reasonably expects it will be ready to begin use of the Connecting Transmission Owner's Interconnection Facilities to obtain back feed power.

Interconnection Customer – Any entity, including the Transmission Owner or any of the affiliates or subsidiaries, that proposes to interconnect its Small Generating Facility with the New York State Transmission System or the Distribution System.

Interconnection Facilities – The Connecting Transmission Owner's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the New York State Transmission System or the Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or System Upgrade Facilities.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to materially increase the capacity of, or make a material modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the New York State Transmission System or the Distribution System. For the purposes of this Agreement, this definition of Interconnection Request shall supersede the definition of Interconnection Request set out in Attachment X to the ISO OATT.

Interconnection Study – Any study required to be performed under Sections 32.2 or 32.3 of the SGIP.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

New York State Transmission System – The entire New York State electric transmission system, which includes: (i) the Transmission Facilities under ISO Operational Control; (ii) the Transmission Facilities Requiring ISO Notification; and (iii) all remaining transmission facilities within the New York Control Area.

NYISO Deliverability Interconnection Standard – The standard that must be met, unless otherwise provided for by Attachment S to the ISO OATT, by (i) any generation facility larger than 2MW in order for that facility to obtain CRIS; (ii) any Class Year Transmission Project proposing to interconnect to the New York State Transmission System and receive Unforced Capacity Delivery Rights; (iii) any entity requesting External CRIS Rights, and (iv) any entity requesting a CRIS transfer pursuant to Section 25.9.5 of Attachment S to the ISO OATT. To meet the NYISO Deliverability Interconnection Standard, the Interconnection Customer must, in accordance with the rules in Attachment S to the ISO OATT, fund or commit to fund any System Deliverability Upgrades identified for its project in the Class Year Deliverability Study.

NYISO Minimum Interconnection Standard – The reliability standard that must be met by any generation facility or Class Year Transmission Project that is subject to NYISO's Large Facility Interconnection Procedures in Attachment X to the ISO OATT or the NYISO's Small Generator Interconnection Procedures in this Attachment Z, that is proposing to connect to the New York State Transmission System or Distribution System, to obtain ERIS. The Minimum Interconnection Standard is designed to ensure reliable access by the proposed project to the New York State Transmission System or to the Distribution System. The Minimum Interconnection Standard does not impose any deliverability test or deliverability requirement on the proposed interconnection.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, control area, or the Connecting Transmission Owner's requirements, including those set forth in the Small Generator Interconnection Agreement. Operating Requirements shall include Applicable Reliability Standards.

Party or Parties – The NYISO, Connecting Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the New York State Transmission System or the Distribution System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under this Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer's device no larger than 20 MW for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

System Deliverability Upgrades – The least costly configuration of commercially available components of electrical equipment that can be used, consistent with Good Utility Practice and Applicable Reliability Requirements, to make the modifications or additions to the existing New York State Transmission System that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Deliverability Interconnection Standard for Capacity Resource Interconnection Service.

System Upgrade Facilities – The least costly configuration of commercially available components of electrical equipment that can be used, consistent with ~~good~~ Good ~~utility~~ Utility ~~practice~~ Practice and Applicable Reliability Requirements to make the modifications to the existing transmission system that are required to maintain system reliability due to: (i) changes in the system, including such changes as load growth and changes in load pattern, to be addressed in the form of generic generation or transmission projects; and (ii) proposed interconnections. In the case of proposed interconnection projects, System Upgrade Facilities are the modification or additions to the existing New York State Transmission System that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO Minimum Interconnection Standard.

Tariff – The NYISO’s Open Access Transmission Tariff, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Small Generating Facility prior to Commercial Operation.

Upgrades – The required additions and modifications to the Connecting Transmission Owner’s portion of the New York State Transmission System or the Distribution System at or beyond the Point of Interconnection. Upgrades may be System Upgrade Facilities or System Deliverability Upgrades Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2 - Detailed Scope of Work, Including Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, or the Connecting Transmission Owner. The NYISO, in consultation with the Connecting Transmission Owner, will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

**Attachment 3 - One-line Diagram Depicting the Small Generating Facility,
Interconnection Facilities, Metering Equipment, and Upgrades**

Attachment 4 - Milestones

In-Service Date:

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	Responsible Party
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Attachment 5 - Additional Operating Requirements for the New York State Transmission System, the Distribution System and Affected Systems Needed to Support the Interconnection Customer's Needs

The NYISO, in consultation with the Connecting Transmission Owner, shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the New York State Transmission System or the Distribution System.

Attachment 6 - Connecting Transmission Owner's Description of its Upgrades and Best Estimate of Upgrade Costs

The NYISO, in consultation with the Connecting Transmission Owner, shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Connecting Transmission Owner shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

The cost estimate for System Upgrade Facilities and System Deliverability Upgrades shall be taken from the ISO OATT Attachment S cost allocation process or applicable Interconnection Study, as required by Section 32.3.5.3.2 of Attachment Z. The cost estimate for Distribution Upgrades shall include the costs of Distribution Upgrades that are reasonably allocable to the Interconnection Customer at the time the estimate is made, and the costs of any Distribution Upgrades not yet constructed that were assumed in the Interconnection Studies for the Interconnection Customer but are, at the time of the estimate, an obligation of an entity other than the Interconnection Customer.

The cost estimates for Distribution Upgrades, System Upgrade Facilities, and System Deliverability Upgrades are estimates. The Interconnection Customer is ultimately responsible for the actual cost of the Distribution Upgrades, System Upgrade Facilities, and System Deliverability Upgrades needed for its Small Generating Facility, as that is determined under Attachments S, X, and Z of the ISO OATT.

Attachment 7 - Insurance Coverage

Attachment 8 – Initial Synchronization Date

_____ [Date]

_____ [NYISO Address]

[Connecting Transmission Owner Address]

Re: _____ Small Generating Facility

_____ Dear _____ :

On [Date] [Interconnection Customer] initially synchronized the Small Generating Facility [specify units, if applicable]. This letter confirms that [Interconnection Customer]'s Initial Synchronization Date was [specify].

_____ Thank you.

_____ [Signature]

_____ [Interconnection Customer Representative]

Attachment 9 – Commercial Operation Date

[Date]

[NYISO Address]

[Connecting Transmission Owner Address]

Re: Small Generating Facility

Dear _____ :

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. _____. This letter confirms that [Interconnection Customer] commenced Commercial Operation of the Small Generating Facility [specify units, as applicable], effective as of [Date plus one day].

Thank you.

[Signature]

[Interconnection Customer Representative]