

THIS FILING LETTER DOES NOT CONTAIN ANY CEII. ATTACHMENTS I, II, AND IV DO NOT CONTAIN ANY PRIVILEGED OR CONFIDENTIAL INFORMATION. ATTACHMENT III INCLUDES FIGURES FOR WHICH CEII DESIGNATION IS REQUESTED IN PART II BELOW, AND IS SUBMITTED SEPARATELY.

October 13, 2022

By Electronic Delivery

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

Re: Filing of an Executed Large Generator Interconnection Agreement for the KCE NY 2 Project Among the New York Independent System Operator, Inc., Central Hudson Gas & Electric Corporation, and KCE NY 2, LLC; Request for Waiver of the 60-Day Notice Period; Docket No. ER23-____-000

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act¹ and Section 35.13 of the Commission's regulations,² the New York Independent System Operator, Inc. ("NYISO") and Central Hudson Gas & Electric Corporation ("Central Hudson") (together, the "Joint Filing Parties") hereby tender for filing an executed Large Generator Interconnection Agreement for the KCE NY 2 Project (NYISO Queue No. 683) entered into by the NYISO, Central Hudson, as the Connecting Transmission Owner, and KCE NY 2, LLC ("KCE"), as the Developer (the "Interconnection Agreement").³ The Interconnection Agreement is labeled as Service Agreement No. 2719 of the NYISO's Open Access Transmission Tariff ("OATT").

The Joint Filing Parties respectfully request that the Commission accept the Interconnection Agreement for filing. With the limited exceptions described in Part I of this letter, the Interconnection Agreement conforms to the NYISO's *pro forma* Large Generator Interconnection Agreement ("Pro Forma LGIA") that is contained in Attachment X to the OATT. Further, as described in Part II of this letter, Central Hudson requests that one-line diagrams included in the Interconnection Agreement be protected from disclosure as Critical Energy Infrastructure Information ("CEII"). Finally, as described in Part III of this letter, the

¹ 16 U.S.C. § 824d.

² 18 C.F.R. § 35.13 (2021).

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

Joint Filing Parties respectfully request a waiver of the Commission's prior notice requirements⁴ to make the Interconnection Agreement effective as of September 30, 2022, which is the date of its full execution.

I. Discussion

A. Background

KCE is constructing a 200 MW energy storage plant, located in Orange County, New York (the "Facility"). The Facility will interconnect to certain facilities of Central Hudson that are part of the New York State Transmission System. The Point of Interconnection is Central Hudson's 115kV Coldenham Substation via the Coldenham-Key Capture Energy Line. Figure A-2 in Appendix A of the Interconnection Agreement includes a one-line diagram showing the Point of Interconnection. Additional details regarding the Facility can be found in Appendix C of the Interconnection Agreement.

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

The Interconnection Agreement was fully executed on September 30, 2022, by the NYISO, Central Hudson, and KCE. The Interconnection Agreement largely conforms to the language in the Pro Forma LGIA contained in Attachment X of the NYISO OATT with the exceptions described below in this Part I.B. The Joint Filing Parties submit that the changes specified below satisfy the Commission's standard for variations from the Pro Forma LGIA, because unique circumstances exist that require a non-conforming agreement.⁵ Therefore, the Joint Filing Parties respectfully request that the Commission accept the Interconnection Agreement with the non-conforming changes.

1. Modifications to Address Phasor Measurement Unit Requirements

Article 9.10 of the Pro Forma LGIA requires Developers to install, at their expense, a measurement unit ("PMU") on the low side of the step-up transformer, along with related PMU equipment, and to collect and transmit PMU data to the NYISO and to the Connecting Transmission Owner. The NYISO introduced the PMU requirements in the Pro Forma LGIA in 2017 to enhance the NYISO's ability to monitor the transmission grid for the New York Control Area and to determine real-time grid stability margins.⁶

The PMU requirements require a Developer to install a PMU on the low side of the

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

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

⁶ See *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER18-80-000 (December 7, 2017) (accepting NYISO's tariff revisions to improve its interconnection process, including the insertion of PMU requirements in Article 9.10 of the Pro Forma LGIA).

transformer and then transmit the PMU data via the Connecting Transmission Owner's system. Central Hudson, however, does not currently possess the capability to obtain the data from KCE or to transmit the data to the NYISO, and the NYISO is unable at this time to accept PMU data directly from KCE. The parties therefore agreed to reserve Article 9.10 and not apply the PMU requirements to the Interconnection Agreement.

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

A Developer that seeks to interconnect its Large Facility to the New York State Transmission System or Distribution System must obtain Energy Resource Interconnection Service ("ERIS") through the NYISO's Standard Large Facility Interconnection Procedures ("LFIP"). The NYISO's Class Year Study is the final interconnection study in the NYISO's LFIP. The study identifies and allocates the costs of any System Upgrade Facilities required to reliably interconnect a Developer's proposed project to the New York State Transmission System or Distribution System. The Facility participated in, and obtained ERIS as part of, the Class Year Study for Class Year 2019.

If a Developer wants its Large Facility to qualify as an Installed Capacity Supplier and to participate in the NYISO-administered Installed Capacity market, the Developer must also obtain Capacity Resource Interconnection Service ("CRIS"). The Class Year Study will determine whether projects seeking CRIS are deliverable or whether any System Deliverability Upgrades ("SDUs") are required for the participating facilities to be fully deliverable at the requested level of CRIS. The Facility is currently participating in Class Year 2021 for purposes of obtaining CRIS, which study is not yet complete. Accordingly, the parties have modified Article 4.1.1 of the Interconnection Agreement to provide that the NYISO's provision of CRIS is subject to the requirements in Section 2(b) of Appendix C.⁷ This provision provides that KCE may not supply Unforced Capacity in the New York Control Area from the Facility until it has complied with the deliverability requirements set forth in Attachment S of the OATT, including accepting any cost allocation for SDUs and posting the associated security or payments. In addition, the provision provides that if any SDUs are identified and KCE accepts the project cost allocation and post Security for these SDUs, the parties agree to amend the Interconnection Agreement to reflect the SDUs. The Commission has previously accepted these types of changes to the Pro Forma LGIA where, as here, the parties agreed to execute the Interconnection Agreement prior to the completion of the Class Year Study in which the Developer was participating.⁸

⁷ These requirements are consistent with Section 30.11.4 of Attachment X of the NYISO OATT that provides that "[t]he Developer executing an LGIA prior to the completion of a Class Year Study cannot participate as an Installed Capacity Supplier until after the Class Year Study is completed and (1) the project is deemed deliverable and accepts its deliverable megawatts; or (2) the Developer accepts its Project Cost Allocation and posts Security for any required System Deliverability Upgrades."

⁸ See, e.g., *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER11-2199-000 (December 28, 2010) (accepting revisions to CRIS requirements in Pro Forma LGIA to reflect the timing of the execution of the interconnection agreement).

II. Request for CEII Treatment

Pursuant to Sections 388.112 and 388.113 of the Commission's regulations,⁹ Central Hudson requests that Figures A-1 and A-2 included in Appendix A of the Interconnection Agreement be protected from disclosure as Critical Energy Infrastructure Information ("CEII"). The figures contain details concerning the interconnection of the Facility with substations in New York, which, if disclosed, could pose a threat to the security and the reliability of the New York State bulk power system. The figures provide more than simply the general location of critical infrastructure. Unlike publicly available maps of power transmission lines and generation and substation facilities, the figures show the exact nature and specific location of facilities used to maintain the reliability of the New York State bulk power system.

The figures, in Central Hudson's assessment, reveal such critical information related to the facilities depicted therein that, if disclosed, could be useful to a person seeking to disable the power grid. Therefore, the disclosure of the CEII diagram would pose a threat to the reliability of the New York State bulk power system and the health and safety of New York residents. Moreover, the information revealed in this schematics reveal CEII, which the Commission has determined to be exempt from mandatory disclosure under 5 U.S.C. § 552(b)(7)(F). The figures have been omitted from the Public version of the Interconnection Agreement included in this filing.

The Joint Filing Parties are electronically submitting a non-public version of this filing. The figures are included only in the non-public version of the Interconnection Agreement in the filing. The non-public figures are marked: **"FIGURE CONTAINS CEII – DO NOT RELEASE PURSUANT TO 18 C.F.R. §§ 388.112 and 388.113."** The non-public figures should be treated as CEII reviewable by Commission Staff. In accordance with the Commission's April 14, 2017 notice on labeling of non-public information, each page of the non-public version of the filing is marked **"CUI//CEII."**¹⁰ A placeholder has been included in place of the non-public figures in the public version of the Interconnection Agreement.

All communications relating to this request for privileged and confidential treatment should be addressed to Central Hudson's Counsel listed below.

⁹ As required by Section 388.113(d)(1)(i) of the Commission's regulations, Central Hudson has described in the filing letter how Figures A-1 and A-2 in Appendix A satisfy the definition of critical energy infrastructure information as that term is defined in Section 388.113(c)(1). In addition, as required by Section 388.113(d)(1)(ii) the cover page of the filing letter and the relevant page of the Interconnection Agreement that contains critical energy infrastructure information is labelled as including CEII and marked DO NOT RELEASE, and a Public and CEII version of the Interconnection Agreement are being filed with this letter. The CEII material is redacted in the Public version. Finally, as required by Section 388.113(d)(1)(i), Central Hudson requests that the Commission designate the CEII material submitted on October 13, 2022, with the full five-year CEII designation provided for in Section 388.113(e)(1) as the information provided in the figures will continue to satisfy the definition of critical energy infrastructure information for this entire period.

¹⁰ See Notice of Document Labelling Guidance for Documents Submitted to or Filed with the Commission or Commission Staff (Apr. 14, 2017) (unreported).

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

The Joint Filing Parties request an effective date of September 30, 2022, for the Interconnection Agreement, which is the date of its full execution. The Joint Filing Parties respectfully request that the Commission waive its prior notice requirement to permit the requested effective date. The Commission has previously permitted interconnection agreements to become effective upon the date of execution.¹¹

IV. Communications and Correspondence

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

For the NYISO¹²

Robert E. Fernandez, Executive Vice
President & General Counsel
Karen Georgenson Gach, Deputy General
Counsel
*Sara B. Keegan, Senior Attorney
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144
Tel: (518) 356-6000
Fax: (518) 356-4702
skeegan@nyiso.com

*Ted J. Murphy
Hunton Andrews Kurth LLP
2200 Pennsylvania Avenue, NW
Washington, D.C. 20037
Tel: (202) 955-1500
Fax: (202) 778-2201
tmurphy@huntonak.com

*Michael J. Messonnier Jr.
Matthew A. Stuart
Hunton Andrews Kurth LLP
951 East Byrd Street
Richmond, VA 23219
Tel: (804) 788-8200
Fax: (804) 344-7999
mmessonnier@huntonak.com
mstuart@huntonak.com

¹¹ See, e.g., *New York Independent System Operator, Inc. and New York State Electric & Gas Corporation*, Letter Order, Docket No. ER11-2953-000 (April 7, 2011) (accepting interconnection agreement effective as of date of execution); see also *New York Independent System Operator, Inc. and Niagara Mohawk Power Corp.*, Letter Order, Docket No. ER08-985-000 (June 26, 2008) (same); *New York Independent System Operator, Inc. and New York Power Authority*, Letter Order, Docket No. ER08-861-000 (May 27, 2008) (same); *New York Independent System Operator, Inc. and New York Power Authority*, Letter Order, Docket No. ER08-699-000 (May 16, 2008) (same).

¹² The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) (2021) to permit service on counsel in both Washington, D.C. and Richmond, VA.

Honorable Kimberly D. Bose

October 13, 2022

Page 6

For Central Hudson

*Paul A. Colbert
Associate General Counsel -
Regulatory Affairs
Central Hudson Gas & Electric
Corporation
284 South Avenue
Poughkeepsie, NY 12601
Tel: (845) 486-5831
Email: pcolbert@cenhud.com

*Designated to receive service.

V. Documents Submitted

The Joint Filing Parties submit the following documents with this filing letter:

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

VI. Service

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

Honorable Kimberly D. Bose

October 13, 2022

Page 7

VII. Conclusion

Wherefore, the Joint Filing Parties respectfully request that the Commission accept the Interconnection Agreement for filing with an effective date of September 30, 2022.

Respectfully submitted,

/s/ Sara B. Keegan

Sara B. Keegan

Counsel for the

New York Independent System Operator, Inc.

/s/ Paul A. Colbert

Paul A. Colbert

*Counsel for Central Hudson Gas & Electric
Corporation*

cc: Janel Burdick
Robert Fares
Jette Gebhart
Jaime Knepper
David Morenoff
Eric Vandenberg
Adria Woods

Matthew Christiansen
Jignasa Gadani
Leanne Khammal
Kurt Longo
Douglas Roe
Gary Will