

## Attachment II



## 22.1 Definitions

Whenever used in these Transmission Interconnection Procedures with initial capitalization, the following terms shall have the meanings specified in this Section 22.1. Terms used in these procedures with initial capitalization that are not defined in this Section 22.1 shall have the meanings specified in Sections 30.1 of Attachment X, Section 25.1.2 of Attachment S, Section 31.1.1 of Attachment Y, or Section 38.1 of Attachment FF of the ISO OATT, or, if not defined therein, in Section 1 of the ISO OATT or Section 2 of the ISO Services Tariff.

**Applicable Reliability Standards** shall mean the requirements and guidelines of the Applicable Reliability Councils, and the Transmission District, to which the Developer's Transmission Project 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 Transmission Interconnection Procedures.

**Base Case** shall mean the base case power flow, short circuit, and stability data bases used for the Transmission Interconnection Studies by the ISO, Connecting Transmission Owner, or the Transmission Developer, as described in Section 22.6.1 of the Transmission 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, or (ii) owns, leases or otherwise possesses an interest in the portion of the New York State Transmission System at the Point of Interconnection. If a Transmission Project interconnects to more than one Connecting Transmission Owner, the term Connecting Transmission Owner as it appears in this Attachment P shall be read to include all of the Transmission Project's Connecting Transmission Owners.

**Designated Network Upgrade Facilities** shall mean the Network Upgrade Facilities identified through the Transmission Interconnection Procedures for a Public Policy Transmission Project selected as the more efficient or cost effective solution to a Public Policy Transmission Need under Attachment Y to the ISO OATT; that meet the definition of upgrade under Section 31.6.4 of Attachment Y to the ISO OATT; and that are designated to the Connecting Transmission Owner or Affected Transmission Owner pursuant to Section 22.9.6 of this Attachment P.

**Facilities Study** shall mean the study conducted pursuant to Section 22.9 of this Attachment P to determine a list of facilities required to reliably interconnect the Transmission Project (including Network Upgrade Facilities) as identified in the System Impact Study, the cost of those facilities, and the time required to interconnect the Transmission Project with the New York State Transmission System.

**Facilities Study Agreement** shall mean the agreement described in Section 22.9.1 of this Attachment P.

**In-Service Date** shall mean the date upon which the Transmission Project is energized consistent with the provisions of the Transmission Project Interconnection Agreement and available to provide Transmission Service under the NYISO Tariffs.

**Network 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 or additions to the New York State Transmission System that are required for the proposed Transmission Project to connect reliably to the system in a manner that meets the NYISO Transmission Interconnection Standard.

**NYISO Transmission Interconnection Standard** shall mean the reliability standard that must be met by any Transmission Project proposing to connect to the New York State Transmission System. The standard is designed to ensure reliable access by the proposed project to the New York State Transmission System.

**Optional Feasibility Study** shall mean the preliminary evaluation of the system impact and cost of interconnecting a Transmission Project to the New York State Transmission System conducted at the option of the Transmission Developer pursuant to Section 22.7 of this Attachment P.

**Optional Feasibility Study Agreement** shall mean the agreement described in Section 22.7.1 of this Attachment P.

**Party or Parties** shall mean any entity or entities subject to the requirements of these Transmission Interconnection Procedures.

**Point of Interconnection** shall mean the point(s) where the Transmission Project connects to the New York State Transmission 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 NYISO, 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 Transmission Interconnection Procedures, 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 described in Section 22.4.2.4.

**Security** shall mean 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/or Affected System Operator, meeting the commercially

reasonable requirements of the Connecting Transmission Owner, or Affected System Operator with which it is required to be posted pursuant to Sections 22.9.3 and 22.11 of this Attachment P.

**System Impact Study** shall mean the study conducted pursuant to Section 22.8 of this Attachment P that evaluates the impact of the proposed Transmission Project on the safety and reliability of the New York State Transmission System and, if applicable, an Affected System, to determine what Network Upgrade Facilities are needed for the proposed Transmission Project to connect reliably to the New York State Transmission System in a manner that meets the NYISO Transmission Interconnection Standard described in Section 22.6.4 of this Attachment P.

**System Impact Study Agreement** shall mean the agreement described in Section 22.8.1 of this Attachment P.

**Transmission Interconnection Application** shall mean the Transmission Developer's request, in the form of Appendix 1 to the Transmission Interconnection Procedures, to interconnect a Transmission Project to the New York State Transmission System.

**Transmission Developer** shall mean any entity, including the Connecting Transmission Owner or any of its Affiliates or subsidiaries that proposes to interconnect its Transmission Project with the New York State Transmission System.

**Transmission Interconnection Studies** shall mean any of the following studies: the Optional Feasibility Study, the System Impact Study, and the Facilities Study described in the Transmission Interconnection Procedures.

**Transmission Project** shall be a Transmission Developer's proposed transmission facility or facilities that collectively satisfy the definition of Transmission Project in Section 22.3.1.

**Transmission Project Interconnection Agreement** shall mean the interconnection agreement applicable to a Transmission Interconnection Application pertaining to a Transmission Project that is entered into in accordance with Section 22.11.

## **22.2 Scope and Application**

### **22.2.1 Application of Transmission Interconnection Procedures**

The Transmission Interconnection Procedures (“TIP”) in Sections 22.2.1 through 22.13 apply to the processing of a Transmission Interconnection Application pertaining to a Transmission Project proposing to interconnect to the New York State Transmission System.

#### **22.2.2 Comparability**

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

#### **22.2.3 No Applicability to Transmission Service or Other Services**

Nothing in these Transmission Interconnection Procedures shall constitute a request for Transmission Service or confer upon a Transmission Developer any right to receive Transmission Service. Nothing in these Transmission Interconnection Procedures shall constitute a request for, nor agreement to provide, any energy, Ancillary Services or Installed Capacity under the ISO Services Tariff.

## **22.3 Transmission Projects Subject to Transmission Interconnection Procedures**

### **22.3.1 Definition of a Transmission Project**

**22.3.1.1** A Transmission Project, as defined in this Section 22.3.1, shall be subject to the Transmission Interconnection Procedures in this Attachment P.

**22.3.1.2** Except as otherwise provided in Section 22.3.1.3, a Transmission Project shall include a Transmission Developer's proposed new transmission facility that will interconnect to the New York State Transmission System or a Transmission Developer's proposed upgrade – an improvement to, addition to, or replacement of a part of an existing transmission facility – to the New York State Transmission System.

**22.3.1.3** Notwithstanding the definition of Transmission Project in Section 22.3.1.2, the following transmission facilities will not be a Transmission Project that is subject to these Transmission Interconnection Procedures: (i) a Class Year Transmission Project as defined in Attachment X to the ISO OATT, or (ii) a new transmission facility or upgrade proposed by a Transmission Owner in its Local Transmission Owner Plan or NYPA transmission plan that is not subject to the ISO's competitive selection process in the ISO's Comprehensive System Planning Process in Attachment Y of the ISO OATT or the ISO's Short-Term Reliability Process in Attachment FF of the ISO OATT and for which the Transmission Owner is not seeking cost allocation under the ISO OATT. A proposed controllable line for which the proposing entity is seeking CRIS to receive UDRs shall be subject to the interconnection requirements in Attachments S and X of the ISO OATT. A Transmission Owner's proposed new transmission facility or upgrade that is not a Transmission Project shall be subject to the transmission

expansion requirements in Section 3.7 of the ISO OATT.

### **22.3.2 Entering Service Early to Maintain System Reliability**

If a Transmission Developer requests to enter into service prior to the completion of all Transmission Interconnection Studies and the completion of any required Network Upgrade Facilities, the Connecting Transmission Owner and the ISO will permit to the Transmission Project's early entry into service if: (i) there is a Transmission Project Interconnection Agreement for the Transmission Project, and (ii) the ISO and Connecting Transmission Owner(s) have determined that the Transmission Project can enter into service without violating Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and the Transmission Project Interconnection Agreement.

### **22.3.3 Procedures for Interconnection Requests and Study Requests Submitted Prior to the Effective Date of the Transmission Interconnection Procedures**

#### **22.3.3.1 Queue Position for Pending Requests**

**22.3.3.1.1** Any Transmission Developer assigned one or more Queue Position(s) for its Transmission Project prior to the effective date of these Transmission Interconnection Procedures as a Developer for an Interconnection Request submitted pursuant to Attachment X of the ISO OATT or for a Study Request submitted pursuant to Sections 3.7 or 4.5 of the OATT shall retain that Queue Position and may, as applicable, consolidate multiple Queue Positions that collectively address the Transmission Project into one Queue Position.

**22.3.3.1.2** If an agreement for one of the Interconnection Studies under Attachment X of the ISO OATT or the System Impact Study or Facilities Study under Sections 3.7 or 4.5 of the OATT for a Transmission Project has not been executed



as of the effective date of these Transmission Interconnection Procedures, then such study, and any subsequent studies, shall be processed in accordance with these Transmission Interconnection Procedures.

**22.3.3.1.3** If an agreement for one of the Interconnection Studies under Attachment X of the ISO OATT or the System Impact Study or Facilities Study under Sections 3.7 or 4.5 of the OATT for a Transmission Project has been executed prior to the effective date of these Transmission Interconnection Procedures, the Transmission Developer (previously referred to as the Developer or Eligible Customer) that executed the agreement may elect to either complete such study in accordance with the terms of such agreement or to execute the agreement for the comparable study, and to proceed, under these Transmission Interconnection Procedures. If the Transmission Developer elects to complete the study under Attachment X of the OATT or Sections 3.7 or 4.5 of the OATT, the Transmission Developer will proceed with any subsequent studies for the Transmission Project in accordance with the Transmission Interconnection Procedures.

**22.3.3.1.4** If an interconnection agreement for a facility that satisfies the definition of Transmission Project in Section 22.3.1 has been submitted to the Commission for approval before the effective date of these Transmission Interconnection Procedures, then the interconnection agreement would be grandfathered.

### **22.3.3.2 Transition Period**

To the extent necessary, the ISO and Transmission Developers with an outstanding request under Attachment X of the ISO OATT or Sections 3.7 or 4.5 of the OATT (*i.e.*, an Interconnection Request or a Study Request) for which an interconnection agreement has not

been submitted to the Commission for approval as of the effective date of these Transmission Interconnection Procedures) shall transition to these procedures within a reasonable period of time not to exceed sixty (60) Calendar Days. The use of the term “outstanding request” herein shall mean any Interconnection Request or Study Request, on the effective date of these Transmission Interconnection Procedures: (i) that has been submitted but not yet accepted by the ISO; (ii) where the related interconnection agreement has not yet been submitted to the Commission for approval in executed or unexecuted form, (iii) where the relevant agreements for Interconnection Studies under Attachment X of the ISO OATT or the System Impact Study or Facilities Study under Sections 3.7 or 4.5 of the OATT have not yet been executed, or (iv) where any of the relevant Interconnection Studies under Attachment X of the ISO OATT or the System Impact Study or Facilities Study under Sections 3.7 or 4.5 of the OATT are in process but not yet completed. Any Transmission Developer with an outstanding request as of the effective date of these Transmission Interconnection Procedures may request a reasonable extension of any deadline, otherwise applicable, if necessary to avoid undue hardship or prejudice to its Transmission Interconnection Application. A reasonable extension shall be granted by the ISO to the extent consistent with the intent and process provided for under these Transmission Interconnection Procedures.

#### **22.3.4 New Transmission Provider**

If the ISO transfers its control of the New York State Transmission System to a successor transmission provider during the period when a Transmission Interconnection Application is pending, the ISO shall transfer to the successor transmission provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required

by these Transmission Interconnection Procedures shall be paid by or refunded to the Transmission Developer, as appropriate. The ISO shall coordinate with the successor transmission provider to complete any Transmission Interconnection Applications (including Transmission Interconnection Studies), as appropriate, that the ISO has begun but has not completed. If the ISO has tendered a draft Transmission Project Interconnection Agreement to the Transmission Developer but the Transmission Developer has not either executed that interconnection agreement or requested the filing of an unexecuted Transmission Project Interconnection Agreement with FERC, unless otherwise provided, the Transmission Developer must complete negotiations with the successor transmission provider.

## **22.4 Transmission Interconnection Application**

### **22.4.1 General**

A Transmission Developer proposing to interconnect a Transmission Project to the New York State Transmission System shall submit to the ISO a Transmission Interconnection Application in the form of Appendix 1 to these Transmission Interconnection Procedures. The Transmission Interconnection Application must be accompanied by a non-refundable application fee of \$10,000. The application fee shall be divided equally between the ISO and Connecting Transmission Owner(s). If the ISO selects a Public Policy Transmission Project and designates the project or a portion of the project to a Designated Entity other than the original Developer pursuant to the provisions of Attachment Y of the ISO OATT, the Designated Entity that is not the original Developer of the project may (i) join an ongoing Transmission Interconnection Application that covers the entire Public Policy Transmission Project with the agreement of the original Transmission Developer and be jointly and severally responsible for the study costs, or (ii) submit a separate Transmission Interconnection Application for its Designated Public Policy Project pursuant to the requirements in this Article 22.4. In the event that the Designated Entity submits a separate Transmission Interconnection Application and the Designated Public Policy Project is a project component(s) of a Transmission Project with an existing Transmission Interconnection Application, such component(s) will be removed from the existing Transmission Interconnection Application and such change to the Transmission Project shall not constitute a material modification in accordance with Section 22.5.4.2.

### **22.4.2 Valid Transmission Interconnection Application**

#### **22.4.2.1 Initiating a Transmission Interconnection Application**

To initiate a Transmission Interconnection Application, a Transmission Developer must

submit a \$10,000 non-refundable application fee and a completed application in the form of Appendix 1. The expected In-Service Date of the Transmission Project provided at the time of the submission of the Transmission Interconnection Application, and updates to the In-Service Date submitted after submission of the Transmission Interconnection Application, shall be no more than ten (10) years from the date the Transmission Interconnection Application is received by the ISO, subject to demonstration of reasonable progress of development of the Transmission Project.

#### **22.4.2.2 Acknowledgment and Notification of Transmission Interconnection Application**

The ISO shall acknowledge receipt of the Transmission Interconnection Application within five (5) Business Days of receipt of the request and attach a copy of the received Transmission Interconnection Application to the acknowledgement it returns to the Transmission Developer. At the same time, the ISO shall forward a copy of the Transmission Interconnection Application and its acknowledgement to the Connecting Transmission Owner(s) with whom the Transmission Developer is proposing to connect; *provided, however*, that any Transmission Interconnection Application 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 or the ISO's Short-Term Reliability Process in Attachment FF of the ISO OATT shall not be forwarded to the Connecting Transmission Owner(s) until the close of the applicable solicitation window.

#### **22.4.2.3 Deficiencies in Transmission Interconnection Application**

A Transmission Interconnection Application will not be considered to be a valid application until all items in Section 22.4.2.1 have been received by the ISO and the applicable

solicitation window has closed for any Transmission Interconnection Application 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 or the ISO's Short-Term Reliability Process in Attachment FF of the ISO OATT. If a Transmission Interconnection Application fails to meet the requirements set forth in Section 22.4.2.1, the ISO shall notify the Transmission Developer and the Connecting Transmission Owner(s) within five (5) Business Days of receipt of the initial Transmission Interconnection Application of the reasons for such failure and that the Transmission Interconnection Application does not constitute a valid application. However, for any Transmission Interconnection Application 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 or the ISO's Short-Term Reliability Process in Attachment FF of the ISO OATT and that fails to meet the requirements set forth in Section 22.4.2.1, the ISO shall notify the Transmission Developer and the Connecting Transmission Owner(s) no later than five (5) Business Days following the close of the applicable solicitation window. The Transmission Developer shall provide the ISO the additional requested information needed to constitute a valid application within ten (10) Business Days after receipt of such notice. The ISO shall promptly forward such information to the Connecting Transmission Owner(s); *provided, however*, for any Transmission Interconnection Application 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 or the ISO's Short-Term Reliability Process in Attachment FF 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 the Transmission Developer to comply with this Section 22.4.2.3 shall be

treated in accordance with Section 22.4.5.

#### **22.4.2.4 Scoping Meeting**

Within ten (10) Business Days after receipt of a valid Transmission Interconnection Application, the ISO shall establish a date agreeable to the Transmission Developer and the Connecting Transmission Owner(s) for the Scoping Meeting. The date shall be no later than thirty (30) Calendar Days from receipt of the valid Transmission Interconnection Application, unless otherwise mutually agreed upon by the Parties.

The purposes of the Scoping Meeting shall be to discuss whether the Transmission Developer elects to pursue an Optional Feasibility Study or proceed to a System Impact Study for its Transmission Project, to 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. The ISO, Connecting Transmission Owner(s), and the Transmission 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, as may be reasonably required to accomplish the purpose of the meeting. The ISO, Connecting Transmission Owner(s) and the Transmission 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. The Transmission Developer shall in writing within five (5) Business Days of this meeting: (i) make its election as to whether it will pursue an Optional Feasibility Study or proceed to a System Impact Study for its Transmission Project, and (ii) designate the Point(s) of Interconnection for the Transmission Project. The duration of the

meeting shall be sufficient to accomplish its purpose.

If (i) a Transmission Developer that elects pursuant to Section 22.4.1 to submit a new Transmission Interconnection Application for its Designated Public Policy Project that is a component of a Transmission Project that is already subject to a Transmission Interconnection Application; (ii) the Transmission Project subject to the original Transmission Interconnection Application has a completed SIS; and (iii) there have been no material modifications to the Transmission Project, including the Designated Public Policy Project, since the ISO performed the SIS pursuant to the original Transmission Interconnection Application, then the ISO, Transmission Developer(s) of the new Transmission Interconnection Application, and Connecting Transmission Owner can agree to proceed directly to the Facilities Study with the new Transmission Interconnection Application. Such agreement to proceed directly to the Facilities Study shall not be unreasonably withheld.

#### **22.4.3 OASIS Posting**

The ISO will maintain on its OASIS a list of all valid Transmission Interconnection Applications. The list will identify, for each Transmission Interconnection Application: (i) the maximum summer and winter megawatt electrical output, if applicable; (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; (v) the status of the Transmission Interconnection Application, including Queue Position; (vi) the identity of the Transmission Developer; (vii) the availability of any studies related to the Transmission Interconnection Application; (viii) the date of the Transmission Interconnection Application; (ix) the type of the Transmission Project to be constructed; and (x) for Transmission Interconnection Applications 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. Transmission Interconnection Study reports shall be posted to the ISO password-protected website subsequent to the meeting between the Transmission Developer, the ISO and the Connecting Transmission Owner(s) to discuss the applicable study results. The ISO shall also post any known deviations in date proposed by the Transmission Project in Section 22.4.3(iv), above.

#### **22.4.4 Coordination with Affected Systems**

The ISO will coordinate the conduct of any studies required to determine the impact of the Transmission Interconnection Application on Affected Systems with Affected System Operators. The ISO will include those results on Affected Systems in its applicable Transmission Interconnection Study within the time frame specified in these Transmission 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 Transmission Developer as required by these Transmission Interconnection Procedures. The Transmission 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(s) with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

#### **22.4.5 Withdrawal**

The Transmission Developer may withdraw its Transmission Interconnection Application

at any time by written notice of such withdrawal to the ISO. In addition, if the Transmission Developer fails to adhere to all requirements of these Transmission Interconnection Procedures, except as provided in Section 22.13.5 (Disputes), the ISO shall deem the Transmission Interconnection Application to be withdrawn and shall provide written notice to the Transmission Developer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, the Transmission 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.

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

The ISO shall (i) update the OASIS Queue Position posting and (ii) refund to the Transmission Developer any portion of the Transmission Developer's deposit or study payments that exceeds the costs that the ISO has incurred, 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(s), subject to the confidentiality provisions of Section 22.13.1, shall provide, at the Transmission Developer's request, all information that the ISO and Connecting Transmission Owner(s) developed for any completed study conducted up to the date of withdrawal of the Transmission Interconnection Application.

## **22.5 Queue Position**

### **22.5.1 General**

The ISO shall assign a Queue Position based upon the date and time of receipt of the valid Transmission Interconnection Application; provided that, if the sole reason a Transmission Interconnection Application is not valid is the lack of required information on the application form, and the Transmission Developer provides such information in accordance with Section 22.4.2.3, then the ISO shall assign the Transmission Developer a Queue Position based on the date the application form was originally filed. The Queue Position of each Transmission Interconnection Application will be used to determine the order of performing the Transmission Interconnection Studies. A higher queued Transmission Interconnection Application is one that has been placed “earlier” in the queue in relation to another Transmission Interconnection Application that is lower queued.

### **22.5.2 Clustering**

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

### **22.5.3 Transferability of Queue Position**

A Transmission Developer may transfer its Queue Position to another entity only if such entity acquires the specific Transmission Project identified in the Transmission Interconnection Application and the Point(s) of Interconnection do not change. As a result of such a transfer, the acquiring entity shall become the Transmission Developer of the specific Transmission Project identified in the Transmission Interconnection Application.

### **22.5.4 Modifications**

The Transmission Developer shall submit to the ISO, in writing, modifications to any

information provided in the Transmission Interconnection Application. The Transmission Developer shall retain its Queue Position if the modifications are permitted in accordance with Section 22.5.4.1, or are determined not to be material modifications pursuant to Section 22.5.4.3.

**22.5.4.1** Prior to the parties' execution of the System Impact Study Agreement, the Transmission Developer may make any modification to the information provided in the Transmission Interconnection Application.

**22.5.4.2** Following the parties' execution of the System Impact Study Agreement, a Transmission Developer may not make any modification to the proposed Transmission Project, except for changes to the project's electrical characteristics that the ISO determines do not constitute a material modification; *provided, however,* that a Transmission Developer may modify a Transmission Project that is selected by the ISO as the more efficient or cost effective solution in the ISO's Public Policy Transmission Planning Process to remove components of the Transmission Project that were designated to a Designated Entity, as defined in Attachment Y to the ISO OATT, other than the Transmission Developer and for which the Designated Entity submits a separate Transmission Interconnection Application pursuant to Section 22.4.1 for the components of the Transmission Project requested to be removed.

**22.5.4.3** The ISO shall evaluate a modification to the Transmission Project's electrical characteristics and will inform the Transmission Developer in writing of whether the modifications constitute a material modification. 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 Transmission Developer's request. Any additional studies resulting from such modification shall be done at Transmission Developer's cost.

**22.5.4.4** If the ISO determines that a Transmission Developer's modification to its Transmission Project constitute a material modification, the Transmission Developer must perform a new System Impact Study for its modified Transmission Project, subject to the execution of a new System Impact Study Agreement and the provision of the required study deposit.

**22.5.4.5** Modifications to a Transmission Project that are permitted under this Section 22.5.4 for the purposes of the Transmission Interconnection Procedures may not be permitted under the separate requirements of the Comprehensive System Planning Process in accordance with Attachment Y of the ISO OATT or the Short-Term Reliability Process in accordance with Attachment FF of the ISO OATT.

## **22.6 Base Case for Transmission Interconnection Procedures and NYISO Transmission Interconnection Standard**

### **22.6.1 Base Case Data**

The power flow, short circuit, and stability data bases, hereinafter referred to as Base Cases, shall include the following that will be based upon either the ISO's fifth year or tenth year case included in the most recent FERC Form No. 715: (i) all existing 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 projects subject to Attachment S of the ISO OATT 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 of the ISO OATT will only be included if construction of the System Deliverability Upgrades has been triggered under Section 25.7.12.3 of Attachment S of the ISO OATT; (iii) all proposed Small Generating Facilities, together with their Interconnection Facilities and System Upgrade Facilities, that have accepted their cost allocation in accordance with Section 32.3.5.7 of Attachment Z; (iv) all proposed generators that interconnect to the distribution system through studies conducted outside of the NYISO's interconnection procedures (*e.g.*, the New York State Standardized Interconnection Requirements ("NYSSIR") process or a utility's individual interconnection procedures) and have been identified as firm in accordance with ISO Procedures; (v) all generation and transmission retirements and derates identified in the NYISO Load and Capacity Data Report as scheduled to occur during the study period for the Transmission Interconnection Study; (vi) Transmission Projects that are proposed under Attachments Y or FF of the ISO

OATT and have met the following milestones prior to the start of the study: (1) have been triggered under the Reliability Planning Process, selected under the Short-Term Reliability Process, selected under the Public Policy Transmission Planning Process, or approved by beneficiaries under the Economic Planning Process, (2) have a completed System Impact Study, and (3) are making reasonable progress under the applicable OATT Attachments Y or FF planning process; (vii) Transmission Projects that are not proposed under Attachments Y or FF to the ISO OATT that have completed a Facilities Study and posted Security for Network Upgrade Facilities as required in Section 22.11.1 of Attachment P to the ISO OATT (if applicable); (viii) 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 and (ix) 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 NYISO as scheduled to occur during the study period for the Transmission Interconnection Study. 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. If the proposed Transmission Project is related to or in response to a system condition not reflected in the above requirements, the ISO may, as appropriate, amend the Base Cases to take that system condition into account in evaluating the proposed Transmission Project.



### **22.6.2 Release of 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 Transmission Developer upon request. All Parties shall treat Confidential Information in accordance with Section 22.13.1 of these Transmission Interconnection Procedures. The ISO and Connecting Transmission Owner are permitted to require that the Transmission Developer sign a non-disclosure agreement before the release of Confidential Information or Critical Energy Infrastructure Information in the Base Case data.

### **22.6.3 The Transmission Interconnection Studies**

All Transmission Projects must interconnect in compliance with the NYISO Transmission Interconnection Standard. The ISO evaluates a Transmission Interconnection Application for compliance with the NYISO Transmission Interconnection Standard throughout the Transmission Interconnection Study process. The Transmission Interconnection Studies conducted under the Transmission Interconnection Procedures consist of short circuit/fault duty, steady state (thermal and voltage) and stability analyses designed to identify the Network Upgrade Facilities required for the reliable interconnection of Transmission Projects to the New York State Transmission System in compliance with the NYISO Transmission Interconnection Standard.

### **22.6.4 NYISO Transmission Interconnection Standard**

The NYISO Transmission Interconnection Standard is designed to ensure that a proposed Transmission Project, as it proposes to interconnect to the New York State Transmission System, is consistent with Applicable Reliability Standards and will not degrade interface transfer

capability by more than 25 MW.

## **22.7 Optional Feasibility Study**

### **22.7.1 Optional Feasibility Study Agreement**

As soon as practicable after receiving the Transmission Developer's election in the Scoping Meeting in accordance with Section 22.4.2.4 to pursue an Optional Feasibility Study for its Transmission Project, the ISO shall tender to the Transmission Developer and the Connecting Transmission Owner an Optional Feasibility Study Agreement. At the Scoping Meeting, the Transmission Developer shall specify for inclusion in the attachment to the Optional Feasibility Study Agreement the Point(s) of Interconnection and any reasonable alternative configurations, not to exceed two alternative configurations. The Transmission Developer must provide a \$60,000 study deposit to the ISO for the Optional Feasibility Study. The tendered Optional Feasibility Study Agreement will include a good faith estimate of the cost for completing the Optional Feasibility Study. The Optional Feasibility Study Agreement shall specify that the Transmission Developer is responsible for the actual costs incurred by the ISO and the Connecting Transmission Owner for the Optional Feasibility Study. The Optional Feasibility Study Agreement shall provide that if actual study costs exceed the study deposit, the Transmission Developer shall pay the ISO the amount in excess of the study deposit, and if the actual study costs are less than the study deposit, the ISO shall refund the remaining deposit amount to the Transmission Developer. The Optional Feasibility Study Agreement shall also set forth the study schedule based on the study scope. The Transmission Developer, the ISO and the Connecting Transmission Owner shall execute and deliver to the ISO the Optional Feasibility Study Agreement no later than thirty (30) Calendar Days after the ISO tenders the Optional Feasibility Study Agreement. The Transmission Developer shall, on or before the return of the executed Optional Feasibility Study Agreement to the ISO, provide the required \$60,000 deposit.

On or before the return of the executed Optional Feasibility Study Agreement to the ISO,

the Transmission Developer shall provide the technical data required by the agreement. If the Transmission Developer does not provide all required technical data when it delivers the Optional Feasibility Study Agreement, the ISO shall notify the Transmission Developer of the deficiency within five (5) Business Days of the receipt of the executed Optional Feasibility Study Agreement and the Transmission Developer shall cure the deficiency within ten (10) Business Days of receipt of the notice, *provided, however*, such deficiency does not include failure to deliver the executed Optional Feasibility Study Agreement or deposit. If the Transmission Developer fails to provide the required technical data within this timeframe, the Transmission Interconnection Application shall be withdrawn in accordance with Section 22.4.5. The Transmission Developer, the ISO and the Connecting Transmission Owner shall execute the Optional Feasibility Study Agreement within thirty (30) Calendar Days after the ISO tenders the Optional Feasibility Study Agreement.

#### **22.7.2 Optional Feasibility Study Scope and Procedures**

The Optional Feasibility Study shall preliminarily evaluate the feasibility of the proposed interconnection to the New York State Transmission System. The Optional Feasibility Study shall be conducted in accordance with Applicable Reliability Standards and will evaluate the Transmission Project using the Base Case described in Section 22.6.1. The Optional Feasibility Study may consist of any of the following technical analyses as described in the Optional Feasibility Study scope:

- a. Conceptual breaker-level one-line diagram of existing system where project proposes to interconnect;
- b. 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);

- c. Preliminary review of local protection, communication, grounding issues associated with the proposed interconnection;
- d. Power flow, short circuit and/or bus flow analyses; and/or
- e. Identification of Network Upgrade Facilities.

The schedule for completing the Optional Feasibility Study will be documented in the Optional Feasibility Study Agreement. The ISO shall utilize existing studies to the extent practicable when it performs the study. Upon request, the ISO shall provide the Transmission Developer supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Optional Feasibility Study, subject to confidentiality arrangements consistent with Section 22.13.1.

### **22.7.3 Optional Feasibility Study Report Meeting**

As soon as practicable after completing the initial draft of the Optional Feasibility Study report, the ISO will provide the Optional Feasibility Study report to the Transmission Developer, the Connecting Transmission Owner, and any Affected Systems for review and comment. Upon completion of this review process, the ISO and the Connecting Transmission Owner shall meet with Transmission Developer and any Affected Systems to discuss the results of the Optional Feasibility Study.

## **22.8 System Impact Study**

### **22.8.1 System Impact Study Agreement**

As soon as practicable after receiving the Transmission Developer's election in the Scoping Meeting in accordance with Section 22.4.2.4 to proceed to a System Impact Study ("SIS") or simultaneously with the delivery of an Optional Feasibility Study to the Transmission Developer, the ISO shall tender the Transmission Developer and Connecting Transmission Owner a System Impact Study Agreement. Upon tendering the System Impact Study Agreement, the ISO shall provide to the Transmission Developer a non-binding good faith estimate of the cost and timeframe for completing the SIS.

The Transmission Developer must provide a \$120,000 study deposit to the ISO for the SIS if the ISO is responsible for performing the entire study; *provided, however*, that if the Transmission Developer is hiring a third-party consultant to perform the analytical portion of the study, pursuant to the requirements set forth in Section 22.13.4 of this Attachment P, the required deposit is \$40,000. The System Impact Study Agreement shall specify that the Transmission Developer is responsible for the actual costs incurred by the ISO and the Connecting Transmission Owner for the SIS. The System Impact Study Agreement shall provide that if actual study costs exceed the study deposit, the Transmission Developer shall pay the ISO the amount in excess of the study deposit, and if the actual study costs are less than the study deposit, the ISO shall refund the remaining deposit amount to the Transmission Developer. The System Impact Study Agreement shall also set forth the study schedule based on the study scope.

### **22.8.2 Execution of System Impact Study Agreement**

The Transmission Developer shall execute and deliver to the ISO the System Impact Study Agreement and the applicable study deposit set forth in Section 22.8.1 no later than thirty

(30) Calendar Days after its receipt. On or before the return of the executed System Impact Study Agreement to the ISO, the Transmission Developer shall provide the technical data required by the agreement. If the Transmission Developer does not provide all required technical data when it delivers the System Impact Study Agreement, the ISO shall notify the Transmission Developer of the deficiency within five (5) Business Days of the receipt of the executed System Impact Study Agreement and the Transmission Developer shall cure the deficiency within ten (10) Business Days of receipt of the notice, *provided, however*, such deficiency does not include failure to deliver the executed System Impact Study Agreement or deposit. If the Transmission Developer fails to provide the required technical data within this timeframe, the Transmission Interconnection Application shall be withdrawn in accordance with Section 22.4.5. The Transmission Developer, the ISO and the Connecting Transmission Owner shall execute the System Impact Study Agreement within thirty (30) Calendar Days after the ISO tenders the System Impact Study Agreement. The Transmission Developer shall, on or before the return of the executed System Impact Study Agreement to the ISO, provide the required study deposit.

### **22.8.3 Scope of System Impact Study**

The SIS shall evaluate the impact of the proposed interconnection on the reliability of the New York State Transmission System. The SIS shall be conducted in accordance with Applicable Reliability Standards. The ISO Operating Committee shall approve the specific study scope proposed for each SIS. If an Optional Feasibility Study is not performed for the project, the SIS will also evaluate the feasibility of the proposed interconnection.

Evaluation under the NYISO Transmission Interconnection Standard involves a transmission security analysis using thermal, voltage, stability and short circuit analyses, as well

as a transfer limit analysis to ensure that a Transmission Project does not degrade interface transfer capability. A Transmission Project will trigger a Network Upgrade Facility if upgrades are necessary to mitigate impacts to the controlling limit (*i.e.*, voltage, stability, thermal) as well as any impact to the thermal limit. A Transmission Project will also trigger a Network Upgrade Facility if it degrades by more than 25 MW the pre-project transfer limits of any NYISO transmission planning interface recognized in the ISO's transmission planning studies pursuant to ISO procedures. A Transmission Project that triggers an upgrade would have to fully restore the impacted transfer limits to the pre-project limits.

#### **22.8.4 System Impact Study Procedures**

The ISO shall coordinate the SIS with any Affected System that is affected by the Transmission Interconnection Application pursuant to Section 22.4.4 above. The ISO shall utilize existing studies to the extent practicable when it performs the study.

The SIS will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to the proposed interconnection, 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 SIS will provide a list of Network Upgrade Facilities that are required as a result of the Transmission Project and a nonbinding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

The ISO may evaluate Transmission Projects moving forward in the same time frame that both contribute to Network Upgrade Facilities to determine their *pro rata* cost responsibility for such Network Upgrade Facilities.

Upon request, the ISO shall provide the Transmission Developer all supporting



documentation, workpapers and relevant pre-Transmission Interconnection Application and post-Transmission Interconnection Application power flow, short circuit and stability databases for the SIS, subject to confidentiality arrangements consistent with Section 22.13.1.

#### **22.8.5 Study Report Meeting**

As soon as practicable after completing the initial draft of the System Impact Study report, the ISO will provide the System Impact Study report to the Transmission Developer, the Connecting Transmission Owner, and any Affected Systems for review and comment. Upon completion of this review process, the ISO and the Connecting Transmission Owner shall meet with Transmission Developer and any Affected Systems to discuss the results of the SIS.

The ISO Operating Committee shall approve each final SIS.

## **22.9 Facilities Study**

### **22.9.1 Facilities Study Agreement**

A Transmission Developer may request that the ISO tender a Facilities Study Agreement for its Transmission Project at any time following the ISO Operating Committee's approval of the System Impact Study for the Transmission Project pursuant to Section 22.8.5. As soon as practicable after the ISO's receipt of the Transmission Developer's request, the ISO shall tender the Transmission Developer and Connecting Transmission Owner a Facilities Study Agreement. When the ISO tenders the Facilities Study Agreement, it shall provide to the Transmission Developer a non-binding good faith estimate of the cost and timeframe for completing the Facilities Study.

The Transmission Developer must provide a \$100,000 study deposit to the ISO for the Facilities Study. The Facilities Study Agreement shall specify that the Transmission Developer is responsible for the actual costs incurred by the ISO and the Connecting Transmission Owner for the Facilities Study Agreement. NYISO shall invoice the Transmission Developer on a monthly basis for the work to be conducted on the Facilities Study. The Transmission Developer 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. The Facilities Study Agreement shall provide that if actual study costs exceed the study deposit, the Transmission Developer shall pay the ISO the amount in excess of the study deposit, and if the actual study costs are less than the study deposit, the ISO shall refund the remaining deposit amount to the Transmission Developer. The Facilities Study Agreement shall also set forth the study schedule based on the study scope.

### **22.9.2 Execution of Facilities Study Agreement**

The Transmission Developer, the ISO and the Connecting Transmission Owner shall execute and deliver to the ISO the Facilities Study Agreement no later than thirty (30) Calendar Days after the ISO tenders the Facilities Study Agreement. The Transmission Developer shall, on or before the return of the executed Facilities Study Agreement to the ISO, provide the deposit and technical data required by the agreement. If the Transmission Developer does not provide all required technical data when it delivers the Facilities Study Agreement, the ISO shall notify the Transmission Developer of the deficiency within five (5) Business Days of the receipt of the executed Facilities Study Agreement, and the Transmission Developer shall cure the deficiency within ten (10) Business Days of receipt of the notice, *provided, however*, such deficiency does not include failure to deliver the executed Facilities Study Agreement or deposit. If the Transmission Developer fails to provide the required technical data within this timeframe, the Transmission Interconnection Application shall be withdrawn in accordance with Section 22.4.5. The Transmission Developer, the ISO and the Connecting Transmission Owner shall execute and deliver to the ISO the Facilities Study Agreement no later than thirty (30) Calendar Days after the ISO tenders the Facilities Study Agreement. The Transmission Developer shall, on or before the return of the executed Facilities Study Agreement to the ISO, provide the required \$100,000 deposit.

### **22.9.3 Scope of Facilities Study**

The Facilities Study shall update and refine the description of Network Upgrade Facilities identified in the System Impact Study, including the equipment, work and related cost and time estimates necessary to construct the required Network Upgrade Facilities, and identify any additional Network Upgrade Facilities that are necessary to interconnect the Transmission

Project in accordance with the Transmission Interconnection Standard described in Section 22.8.3 of Attachment P based on, among other things, changes in the Base Case since the completion of the System Impact Study. Transmission Developer will be responsible for posting Security in the amount of the cost estimates for the Network Upgrade Facilities documented in the final Facilities Study report pursuant to Section 22.11.1 of this Attachment P, except that Security for Network Upgrade Facilities that is required under this Attachment P based on the final Facilities Study report and that satisfy the definition of upgrade under Section 31.6.4 of Attachment Y to the ISO OATT, shall not be required unless and until a Connecting Transmission Owner or Affected Transmission Owner issues a timely declination notice pursuant to Section 22.9.6 of this Attachment P. The Facilities Study shall also contain a non-binding estimate as to the feasible TCCs resulting from the construction of the new facilities, as applicable.

#### **22.9.4 Facilities Study Procedures**

22.9.4.1 The ISO shall coordinate the Facilities Study with the Connecting Transmission Owner and Affected System Operators, and with any other Affected System pursuant to Section 22.4.4. The ISO shall utilize existing studies to the extent practicable in performing the Facilities Study.

22.9.4.2 If (i) there is an upcoming or ongoing Class Year Interconnection Facilities Study at the time the Transmission Developer, the ISO, and Connecting Transmission Owner execute a Facilities Study Agreement in accordance with Section 22.9.3 of Attachment P or during a pending Facilities Study and (ii) the Transmission Project and/or Network Upgrade Facilities required for the Transmission Project are not included in the Existing System Representation for a Class Year Interconnection Facilities Study or Additional SDU Study, the

ISO shall identify, consistent with ISO Procedures, any Class Year Project in the ongoing Class Year Interconnection Facilities Study or Additional SDU Study that has potential interactions with the Transmission Project or associated Network Upgrade Facilities or together with a Transmission Project has an impact on the New York State Transmission System or Distribution System that requires further evaluation. The ISO, in the Facilities Study for the Transmission Project, shall perform sensitivities with the identified Class Year Projects to evaluate the Transmission Project and identify contingent Network Upgrade Facilities, which will be further studied under Section 22.9.4.3 of this Attachment P.

22.9.4.3        Following the conclusion of an ongoing Class Year Interconnection Facilities Study or Additional SDU Study where one or more identified Class Year Project in Section 22.9.4.2 of this Attachment P accepts its SUF Project Cost Allocation and/or SDU Project Cost Allocation, the ISO shall review the result of the cost allocation decisions, perform any additional analysis to evaluate the interactions between the Transmission Project and those Class Year Projects, and associated System Upgrade Facilities and/or System Deliverability Upgrades, that accepted their cost allocations, and update the Network Upgrades Facilities that were identified for the Transmission Project, accordingly. Any updates to the Transmission Project cost allocation for the Network Upgrade Facilities identified for the Transmission Project shall be allocated to and the cost responsibility of the Transmission Project, except as provided for in Section 22.9.6 of this Attachment P.

## **22.9.5        Study Report Issuance and Meeting**

As soon as practicable after completing the initial draft of the Facilities Study report, the ISO will provide the Facilities Study report to the Transmission Developer, the Connecting Transmission Owner, and any Affected Systems for review and comment. The ISO shall notify

the Transmission Developer whether the Transmission Project is required to be evaluated under Section 22.9.4.3 of this Attachment P to consider the impacts of Class Year Projects that were being studied in an ongoing Class Year Interconnection Facilities Study or Additional SDU Study for which the Transmission Project and/or associated Network Upgrade Facilities, if any, were not included in the Existing System Representation. Upon completion of this review process, the ISO and the Connecting Transmission Owner may meet with Transmission Developer and any Affected Systems to discuss the initial results of the Facilities Study.

If such evaluation under Section 22.9.4.3 is required, the ISO will perform the evaluation following the completion of the ongoing Class Year Interconnection Facilities Study and/or Additional SDU Study and issue an updated draft of the Facilities Study report to the Transmission Developer, the Connecting Transmission Owner, and any Affected Systems for review and comment, accordingly. Upon completion of this review process, the ISO will meet with the Transmission Developer, the Connecting Transmission Owner, and any Affected Systems and, as soon as practical thereafter, issue a final Facilities Studies report for the Transmission Project; *provided, however*, that the Facilities Study report shall be subject to further study and updating if the Transmission Project and associated Network Upgrade Facilities do not satisfy the requirements to be included in the Existing System Representation for the subsequent Class Year Interconnection Facilities Study by the completion of the Annual Transmission Baseline Assessment for such Class Year Interconnection Facilities Study and there are one or more Class Year Projects that the ISO determines may have potential interactions with the Transmission Project or associated Network Upgrade Facilities or together with a Transmission Project has an impact on the New York State Transmission System or Distribution System that requires further evaluation. Following completion of any additional

evaluations under Section 22.9.4 of this Attachment P, the ISO shall issue the updated draft Facilities Study detailing the identified Network Upgrade Facilities, non-binding, good faith estimate of cost responsibility and non-binding, good faith estimated time to construct.

In the event that the Transmission Developer wishes to proceed with the negotiation and execution of a Transmission Project Interconnection Agreement prior to completion of the Facilities Study and issuance of the final Facilities Study report in accordance with Section 22.11.3 of this Attachment P, the identification and estimate of cost responsibility and time to construct Network Upgrade Facilities will be contingent upon the completion of all necessary evaluations under Section 22.9.4 and the issuance of the final Facilities Study report.

#### **22.9.6 Designation of Network Upgrade Facilities for Selected Public Policy Transmission Projects**

For a Transmission Project that is selected by the ISO for inclusion in the regional transmission plan for purposes of cost allocation as the more efficient or cost effective solution to a need identified in the Public Policy Transmission Planning Process under Attachment Y to the ISO OATT, the ISO shall identify the Network Upgrade Facilities that satisfy the definition of upgrade under Section 31.6.4 of Attachment Y to the ISO OATT in the Facilities Study report or update any previous identification of such Network Upgrade Facilities if the Facilities Study report is revised. In advance of finalizing the Facilities Study report or any update, the ISO shall consider any comments on such designations from the Transmission Developer and the Connecting Transmission Owner or Affected Transmission Owner that owns the existing facility(ies) to be upgraded by one or more of the Network Upgrade Facilities. Each relevant Connecting Transmission Owner or Affected Transmission Owner must notify the ISO and the Transmission Developer in writing within 30 Calendar Days of the ISO issuing the final Facilities Study report, or any update to the Facilities Study report, if the Connecting

Transmission Owner or Affected Transmission Owner declines the responsibility to build, own, and fund one or more Network Upgrade Facilities that satisfy the definition of upgrade under Section 31.6.4 of Attachment Y to the ISO OATT.

In the absence of such declination notice, the Connecting Transmission Owner or the Affected Transmission Owner shall be the designated entity responsible to build, own, and fund such Network Upgrade Facilities (“Designated Network Upgrade Facilities”). The Connecting Transmission Owner or the Affected Transmission Owner shall be eligible to recover the costs of the Designated Network Upgrade Facilities in the manner set forth in Attachment Y and Rate Schedule 10 of the ISO OATT. The Transmission Developer’s and Transmission Owner’s obligations and responsibilities will be documented in a Transmission Project Interconnection Agreement, as applicable, and the Transmission Owner will be required to comply with the requirements as a Designated Entity under Attachment Y to the ISO OATT in building, owning, and recovering the costs of the Designated Network Upgrade Facilities, including, but not limited to, entering into or amending a Public Policy Transmission Planning Process Development Agreement.

If the Connecting Transmission Owner or Affected Transmission Owner provides timely notice declining the responsibility to build, own, and fund one or more Network Upgrade Facilities that meet the definition of upgrade under Section 31.6.4 of Attachment Y to the ISO OATT or in the event that a Public Policy Transmission Planning Process Development Agreement that covers Designated Network Upgrade Facilities is terminated and such termination is related to a default by the Connecting Transmission Owner or Affected Transmission Owner in the development of Designated Network Upgrade Facilities, then the Transmission Developer shall be responsible for funding and posting Security in accordance with



Section 22.11.1 of this Attachment P for such Network Upgrade Facilities, as well as other Network Upgrade Facilities that do not meet the definition of upgrade in Section 31.6.4 of the ISO OATT. The Connecting Transmission Owner or Affected Transmission Owner may mutually agree with the Transmission Developer for the Transmission Developer to build and/or own any of the Network Upgrade Facilities for which the Connecting Transmission Owner or Affected Transmission Owner declined to build, own, and fund. Such rights and obligations will be documented in a Transmission Project Interconnection Agreement. Security for the Network Upgrade Facilities shall be posted in accordance with Section 22.11.1 of this Attachment P. Any disputes concerning the classification of Network Upgrade Facilities as upgrades under Section 31.6.4 of Attachment Y of the ISO OATT shall be subject to dispute resolution under Section 22.13.5 of this Attachment P.

## **22.10 Engineering & Procurement (“E&P”) Agreement**

Prior to executing a Transmission Project Interconnection Agreement, a Transmission Developer may, in order to advance the implementation of its interconnection, request and Connecting Transmission Owner shall offer the Transmission Developer, an E&P Agreement that authorizes the Connecting Transmission Owner to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, the Connecting Transmission Owner shall not be obligated to offer an E&P Agreement if the Transmission Developer is in Dispute Resolution as a result of an allegation that the Transmission Developer has failed to meet any milestones or comply with any prerequisites specified in other parts of these Transmission Interconnection Procedures. The E&P Agreement is an optional procedure and it will not alter the Transmission Developer’s Queue Position or In-Service Date. The E&P Agreement shall provide for the Transmission Developer to pay the cost of all activities authorized by the Transmission Developer and to make advance payments or provide other satisfactory security for such costs. The Transmission Developer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If the Transmission Developer withdraws its Transmission Interconnection Application or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, the Transmission Developer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, Connecting Transmission Owner may elect: (i) to take title to the equipment, in which event Connecting Transmission Owner shall refund the Transmission Developer any amounts paid by the Transmission Developer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such

equipment to the Transmission Developer, in which event the Transmission Developer shall pay any unpaid balance and cost of delivery of such equipment.

## **22.11 Transmission Project Security and Interconnection Agreement**

### **22.11.1 Acceptance of Cost Allocation and Posting of Security**

**22.11.1.1 Acceptance of Transmission Project Cost Allocation.** The Facilities Studies report will document, among other things, the Network Upgrade Facilities necessary for the Transmission Project to interconnect to the New York State Transmission System, together with a non-binding, good faith estimate of cost responsibility to build the identified Network Upgrade Facilities. If a Transmission Project includes more than one Designated Public Policy Project as identified in accordance with Attachment Y to the OATT, the ISO may treat each Designated Public Policy Project comprising the Transmission Project as a separate Transmission Project for purposes of this Section 22.11 and identify a non-binding, good faith estimate of cost responsibility to build the identified Network Upgrade Facilities for each Designated Entity, as applicable. For purposes of this Section 22.11, Transmission Developer and Designated Entity are used interchangeably when a Transmission Project includes more than one Designated Public Policy Project.

Following the issuance of the final Facilities Study report in accordance with Section 22.9.5 of this Attachment P and after the expiration of the time period set forth in Section 22.9.6 of this Attachment P (if applicable), the Transmission Developer shall provide notice to the ISO, in writing and via electronic mail, within 30 Calendar Days whether it shall accept its project cost allocation for the Network Upgrade Facilities, if any, as reported in the final Facilities Study report and signify its willingness to pay the Connecting Transmission Owner for the Transmission Developer's cost allocation for the required Network Upgrade Facilities that it accepted. Within five (5) Business Days of the submission of a notice accepting its cost allocation for the Network Upgrade Facilities in accordance with this Section 22.11.1.1, the Transmission Developer, or each Designated Entity, if applicable, must pay cash or post Security

in accordance with these rules for the full amount of the Transmission Project cost allocation; *provided, however*, that (i) if the Transmission Developer and Connecting Transmission Owner are the same entity, the Transmission Developer need not post Security for Network Upgrade Facilities that connect to its own existing facilities, or (ii) if the ISO identifies any Network Upgrade Facilities that satisfy the definition of upgrade under Section 31.6.4 of Attachment Y to the ISO OATT in the Facilities Study, then the Transmission Developer shall not be obligated to post Security for such Network Upgrade Facilities until the expiration of the deadline for the applicable Transmission Owner to issue a timely declination notice in accordance with Section 22.9.6 of this Attachment P.

In the event that a Public Policy Transmission Planning Process Development Agreement that covers Designated Network Upgrade Facilities is terminated and such termination is related to a default by the Connecting Transmission Owner or Affected Transmission Owner in the development of Designated Network Upgrade Facilities, then the Transmission Developer shall pay cash or post Security in accordance with these rules for the remaining amount necessary to design, procure and construct the applicable Designated Network Upgrade Facilities. Failure to accept the Transmission Project cost allocation or to pay cash or post Security in accordance with these rules shall result in withdrawal of the Transmission Interconnection Application from the ISO's Interconnection Queue.

**22.11.1.2 Posting of Security.** If the Transmission Developer elects to post Security, as applicable, the Transmission Developer (i) shall deliver to the Connecting Transmission Owner a signed security agreement, by and between the Transmission Developer and the Connecting Transmission Owner in its sole discretion, securing the performance of the Transmission Developer's cost allocation for the Network Upgrade Facilities identified in the

final Facilities Study report and (ii) shall provide the Connecting Transmission Owner with an irrevocable, transferrable standby letter of credit in the form required by the aforementioned agreement in the amount of the cost estimate for the Network Upgrade Facilities, as documented in the final Facilities Study report, in accordance with Section 22.9.3 of Attachment P to the OATT. The letter of credit must be issued by a financial institution reasonably acceptable to the Connecting Transmission Owner and must specify a reasonable expiration date. Upon successful acceptance by the Connecting Transmission Owner, turnover to the Connecting Transmission Owner shall be reduced on a dollar-for-dollar basis for payments made to the Connecting Transmission Owner for the purpose of performing engineering design, constructing, procuring, and installing of such Network Upgrade Facilities.

22.11.1.3 **Forfeiture of Security.** The Security that the Transmission Developer or Designated Entity provides the Connecting Transmission Owner in accordance with Section 22.11.1 of this Agreement shall be irrevocable and shall be subject to forfeiture if the Transmission Developer subsequently terminates or abandons development of the Transmission Project. Any Security provided by the Transmission Developer to the Connecting Transmission Owner shall be subject to forfeiture to the extent necessary to defray the cost of: (1) Network Upgrade Facilities required for other Transmission Developers for which the Transmission Project interconnection studies included the Transmission Developer's Transmission Project and associated Network Upgrade Facilities in their base cases; (2) System Upgrade Facilities and System Deliverability Upgrade Facilities required for projects for which the Transmission Project and associated Network Upgrade Facilities were included in their Class Year Interconnection Facilities Study and/or Additional SDU Study existing system representations; (3) System Upgrade Facilities required by other Small Generating Facilities for which the

Transmission Developer's Transmission Project and associated Network Upgrade Facilities were included in their small generator facilities study base cases; and (4) Network Upgrades required for other Eligible Customers whose Load interconnection studies included the Transmission Developer's Transmission Project and associated Network Upgrade Facilities in their base cases, as applicable. If the Transmission Developer's Security is subject to forfeiture to defray the costs of an affected upgrade pursuant to this Section 22.11.1.3 and the Security is not in a form that can be readily drawn on by the Connecting Transmission Owner to defray the costs of the affected upgrade, Transmission Developer shall negotiate in good faith with the Connecting Transmission Owner to replace the Security with cash or an alternative form of Security that can be readily drawn on by Connecting Transmission Owner up to the amount required to satisfy Transmission Developer's Security obligations under this Agreement, including defraying the costs of the affected upgrade. Connecting Transmission Owner shall only be responsible for using Transmission Developer's Security to defray the costs of an affected upgrade to the extent Transmission Developer has provided cash or Security in a form that the Connecting Transmission Owner can readily draw on to defray such costs.

#### **22.11.2 Tender**

As soon as practicable after the Transmission Developer notifies the ISO that it accepts its Transmission Project's cost allocation for the Network Upgrade Facilities identified in the final Facilities Study report and posts Security in accordance with Section 22.11.1 of Attachment P, the ISO shall tender to the Transmission Developer and Connecting Transmission Owner a draft Transmission Project Interconnection Agreement together with draft appendices completed to the extent practicable; *provided, however*, that if a Transmission Developer's proposed Transmission Project is only interconnecting to its own, existing facilities, a Transmission

Project Interconnection Agreement is not required. If a Transmission Project includes more than one Designated Public Policy Project as identified in accordance with Attachment Y to the ISO OATT, the ISO may treat each Designated Public Policy Project comprising the Transmission Project as a separate Transmission Project for purposes of this Section 22.11 and tender separate draft Transmission Project Interconnection Agreements together with draft appendices to each Designated Entity, as applicable. The draft Transmission Project Interconnection Agreement shall be consistent with the NYISO's Commission-approved Standard Large Generator Interconnection Agreement located in Appendix 6 to Attachment X of the OATT, modified to address a Transmission Project.

### **22.11.3 Negotiation**

Notwithstanding Section 22.11.2 for the purpose of entering into a Transmission Project Interconnection Agreement prior to the completion of an going Facilities Study, at the request of the Transmission Developer, the ISO and Connecting Transmission Owner may begin negotiations with the Transmission Developer concerning the Transmission Project Interconnection Agreement and its appendices at any time after the Transmission Developer completes the Facilities Study Agreement or if the Transmission Project is a proposed solution to a Public Policy Transmission Need identified in the Public Policy Transmission Planning Process under Attachment Y to the ISO OATT, after expiration of the deadline for the Connecting Transmission Owner or Affected Transmission Owner to issue a declination notice in accordance with Section 22.9.6 of this Attachment P. If the Transmission Developer requests to begin negotiations prior to the issuance of the final Facilities Study report or the expiration of the deadline for the applicable Transmission Owner to issue a declination notice in accordance with Section 22.9.6 of this Attachment P, any Network Upgrade Facilities identified in the System



Impact Study are preliminary and contingent on the results of any evaluation under Section 22.9.4 of this Attachment P. The ISO, Connecting Transmission Owner and Transmission Developer shall finalize the appendices and negotiate concerning any disputed provisions of the draft Transmission Project Interconnection Agreement and its appendices subject to the six (6) month time limitation specified below in this Section 22.11.3. If the Transmission Developer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft Transmission Project Interconnection Agreement pursuant to Section 22.11.2 and request submission of the unexecuted Transmission Project Interconnection Agreement to FERC or initiate Dispute Resolution procedures pursuant to Section 22.13.5. If the Transmission Developer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted Transmission Project Interconnection Agreement or initiate Dispute Resolution, it shall be deemed to have withdrawn its Transmission Interconnection Application. Unless otherwise agreed by the Parties, if the Transmission Developer has not executed the Transmission Project Interconnection Agreement, requested filing of an unexecuted Transmission Project Interconnection Agreement, or initiated Dispute Resolution procedures pursuant to Section 22.13.5 within six (6) months of tender of draft Transmission Project Interconnection Agreement, it shall be deemed to have withdrawn its Transmission Interconnection Application.

#### **22.11.4 Execution and Filing**

The Transmission Developer shall either: (i) execute three (3) originals of the tendered Transmission Project Interconnection Agreement and return them to the ISO and Connecting Transmission Owner and request in writing that the ISO and Connecting Transmission Owner file with FERC for its acceptance the agreed-upon Transmission Project Interconnection

Agreement; or (ii) request in writing that the ISO and Connecting Transmission Owner file with FERC a Transmission Project Interconnection Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either submission by the Transmission Developer, the ISO and Connecting Transmission Owner shall file the Transmission Project Interconnection Agreement with FERC. If the Transmission Developer has requested that the ISO file the Transmission Project Interconnection Agreement in unexecuted form, the ISO will draft the portions of the Transmission Project Interconnection Agreement and appendices that are in dispute. The ISO will provide its explanation of any matters as to which the Parties disagree and support for the costs that the Connecting Transmission Owner proposes to charge to the Transmission Developer under the Transmission Project Interconnection Agreement. An unexecuted Transmission Project Interconnection Agreement should contain terms and conditions deemed appropriate by the ISO for the Transmission Interconnection Application. The Connecting Transmission Owner will provide in a separate filing any comments it has on the unexecuted agreement, including any alternative positions, it may have with respect to the disputed provisions. If the Parties agree to proceed with design, procurement, and construction of Network Upgrade Facilities under the agreed-upon terms of the unexecuted Transmission Project Interconnection Agreement, they may proceed pending Commission action.

#### **22.11.5 Commencement of Interconnection Activities**

Upon submission of an executed or unexecuted Transmission Project Interconnection Agreement in accordance with Section 22.11.3, the ISO, Connecting Transmission Owner and the Transmission Developer shall perform their respective obligations that are not in dispute in accordance with the terms of the Transmission Project Interconnection Agreement, subject to

modification by FERC.

#### **22.11.6 Termination of the Transmission Project Interconnection Agreement**

The termination of a Transmission Project Interconnection Agreement will be effective only upon acceptance by FERC of the notice of termination and proposed effective date. Upon the effective date of the termination of the Transmission Project Interconnection Agreement, access to the Point of Interconnection of the Transmission Project will be available on a non-discriminatory basis pursuant to the ISO's applicable interconnection processes and procedures.

## **22.12 Construction of Connecting Transmission Owner's Network Upgrade Facilities**

### **22.12.1 Schedule**

The Connecting Transmission Owner, Affected System Operators and the Transmission Developer shall negotiate in good faith concerning a schedule for the construction of the Network Upgrade Facilities. In general, the In-Service Dates set forth in applicable interconnection agreements will determine the sequence of construction of required upgrade facilities.

#### **22.12.2.2 Advance Construction of Network Upgrade Facilities, System Upgrade Facilities and System Deliverability Upgrades that are an Obligation of an Entity other than the Transmission Developer**

A Transmission Developer with a Transmission Project Interconnection Agreement, in order to maintain its In-Service Date, may request that the Connecting Transmission Owner advance to the extent necessary the completion of Network Upgrade Facilities, System Upgrade Facilities, and System Deliverability Upgrades that: (i) were assumed in the Transmission Interconnection Studies for such Transmission Developer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than the Transmission Developer that is seeking interconnection to the New York State Transmission System, in time to support such In-Service Date. Upon such request, Connecting Transmission Owner will use Reasonable Efforts to advance the construction of such Network Upgrade Facilities, System Upgrade Facilities and System Deliverability Upgrades to accommodate such request; provided that the Transmission Developer commits in writing to pay Connecting Transmission Owner any associated expediting costs.

#### **22.12.2.3 Advancing Construction of Network Upgrade Facilities, System Upgrade**

**Facilities or System Deliverability Upgrades that are Part of an  
Expansion Plan of the ISO or Connecting Transmission Owner**

A Transmission Developer with a Transmission Project Interconnection Agreement, in order to maintain its In-Service Date, may request that the Connecting Transmission Owner advance to the extent necessary the completion of Network Upgrade Facilities, System Upgrade Facilities and System Deliverability Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of the ISO or Connecting Transmission Owner, in time to support such In-Service Date. Upon such request, Connecting Transmission Owner will use Reasonable Efforts to advance the construction of such Network Upgrade Facilities, System Upgrade Facilities and System Deliverability Upgrades to accommodate such request; provided that the Transmission Developer commits in writing to pay Connecting Transmission Owner any associated expediting costs.

## **22.13 Miscellaneous**

### **22.13.1 Confidentiality**

Information exchanged by Parties in accordance with these Transmission Interconnection Procedures are subject to the Confidentiality provisions set forth in Section 30.13.1 of Attachment X of this ISO OATT, which requirements are incorporated into this Attachment P by reference. The terms “Standard Large Generator Interconnection Agreement,” “Developer,” and “Large Facility Interconnection Procedures” as used in Section 30.13.1 of Attachment X shall include “Transmission Project Interconnection Agreement,” “Transmission Developer,” and “Transmission Interconnection Procedures,” respectively, as those terms are defined in this Attachment P.

### **22.13.2 Delegation of Responsibility**

The ISO may use the services of subcontractors as it deems appropriate to perform its obligations under these Transmission Interconnection Procedures. The ISO shall remain primarily liable to the Transmission Developer for the performance of such subcontractors and compliance with its obligations under these Transmission Interconnection Procedures. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

### **22.13.3 Obligation for Study Costs and Study Deposits**

The ISO shall charge and the Transmission Developer shall pay the actual costs of the Transmission Interconnection Studies incurred by the ISO and Connecting Transmission Owner. If a number of Transmission Interconnection Studies are conducted concurrently as a combined study, each Transmission Developer shall pay an equal share of the actual cost of the combined study. Any invoices for Transmission Interconnection Studies shall include a detailed and

itemized accounting of the cost of each Transmission Interconnection Study. Transmission Developers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefore. Neither the ISO nor Connecting Transmission Owner shall be obligated to perform or continue to perform any studies unless the Transmission Developer has paid all undisputed amounts in compliance herewith.

#### **22.13.4 Third Parties Conducting Studies**

If at the time of the signing of a Transmission Interconnection Study agreement there is disagreement as to the estimated time to complete a Transmission Interconnection Study, then the Transmission Developer may request the ISO to utilize a consultant or other third party reasonably acceptable to the Transmission Developer and the ISO to perform such Transmission Interconnection Study under the direction of the ISO. At other times, the ISO may also utilize a Connecting Transmission Owner or other third party to perform such Transmission Interconnection Study, either in response to a general request of the Transmission Developer, or on its own volition. In all cases, use of a third party shall be in accord with Article 26 (Subcontractors) of the Standard Large Generator Interconnection Agreement located in Attachment X of the ISO OATT and limited to situations where the ISO determines that doing so will help maintain or accelerate the study process for the Transmission Developer's pending Transmission Interconnection Application and not interfere with the ISO's progress on Transmission Interconnection Studies or Interconnection Studies for other pending Transmission Interconnection Applications or Interconnection Requests. In cases where the Transmission Developer requests to use a third party to perform such Transmission Interconnection Study, the Transmission Developer, ISO and Connecting Transmission Owner shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study

completion date and study review deadline. The ISO shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Transmission Interconnection Application as soon as practicable upon the Transmission Developer's request subject to the confidentiality provision in Section 22.13.1. In any case, such third party contract may be entered into with either the Transmission Developer or the ISO at the ISO's discretion. If a Transmission Developer enters into a third party study contract, the Transmission Developer shall provide the study to ISO and the Connecting Transmission Owner for review, and such third party study contract shall provide for reimbursement by the Transmission Developer of ISO's and Connecting Transmission Owner's actual cost of participating in and reviewing the study. In the case of (iii) above in this Section 22.13.4, the Transmission Developer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party shall be required to comply with these Transmission Interconnection Procedures, Article 26 (Subcontractors) of the Standard Large Generator Interconnection Agreement located in Attachment X of the ISO OATT, and the relevant ISO OATT procedures and protocols as would apply if the ISO were to conduct the Transmission Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. The ISO and Connecting Transmission Owner shall cooperate with such third party and Transmission Developer to complete and issue the Transmission Interconnection Study in the shortest reasonable time.

#### **22.13.5 Disputes**

In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with a Transmission Project Interconnection Agreement, these Transmission Interconnection Procedures, or their performance (a "Dispute"), such Party shall address the Dispute in



accordance with the Dispute provisions in Section 30.13.5 of Attachment X of this ISO OATT, which requirements are incorporated into this Attachment P by reference. The terms “Standard Large Generator Interconnection Agreement” (or “LGIA”), “Standard Large Facility Interconnection Procedures” (or “LFIP”), and “Attachment Facilities, Distribution Upgrades or System Upgrades” as used in Section 30.13.5 shall include “Transmission Project Interconnection Agreement,” “Transmission Interconnection Procedures,” and “Network Upgrade Facilities” respectively, as those terms are defined in this Attachment P.

## **22.13.6 Local Furnishing Bonds and Other Tax-Exempt Financing**

### **22.13.6.1 Connecting Transmission Owners and Affected System Operator(s) that Own Facilities Financed by Local Furnishing Bonds or Other Tax-Exempt Bonds**

This provision is applicable only to a Connecting Transmission Owner or Affected System Operator(s) that has financed facilities with tax-exempt bonds including, but not limited to, Local Furnishing Bonds (“Tax-Exempt Bonds”). Notwithstanding any other provision of the Transmission Interconnection Procedures and a Transmission Project Interconnection Agreement, neither the Connecting Transmission Owner nor Affected System Operator shall be required to construct Network Upgrade Facilities, pursuant to the Transmission Interconnection Procedures and a Transmission Project Interconnection Agreement, if such construction would jeopardize the tax-exempt status of any Tax-Exempt Bonds or impair the ability of Connecting Transmission Owner or Affected System Operator(s) 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.

**Appendix 1**  
**TRANSMISSION INTERCONNECTION APPLICATION**

1. The undersigned Transmission Developer submits this request to interconnect its proposed transmission project with the New York State Transmission System pursuant to Section [\*] of the NYISO OATT.

2. This Transmission Interconnection Application is submitted by:

Name of Transmission Developer:\_\_\_\_\_

By (signature):\_\_\_\_\_

Name (type or print):\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_

3. Name of project:\_\_\_\_\_

4. Description of proposed project:

a. Description of proposed Point(s) of Interconnection (*i.e.*, name of existing substation or line to which the project proposes to interconnect):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

c. Attach a conceptual breaker one-line diagram (*i.e.*, breaker-level details for proposed elements along with high-level depiction of proposed interconnection with existing system)

d. Technical data/parameters: [to be provided as attachment to initial study agreement]

e. In-Service Date (Month and Year): \_\_\_\_\_

f. Name, title, company address, telephone number, and e-mail address of the Transmission Developer's contact person:

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## **25.5 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 Years commencing subsequent to Class Year 2017 and before March 20, 2024: (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 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 Attachments Y or FF 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 Short-Term Reliability Process, selected under the Public Policy Transmission Planning Process, or approved by beneficiaries under the Economic Planning 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 Attachments Y or FF planning process; (v) Transmission Projects that are not proposed under Attachments Y or FF to the ISO OATT that have completed a Facilities Study and posted Security for Network Upgrade Facilities as required in Section 22.11.1 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.

For Class Years commencing on or after March 20, 2024: (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 Projects, together with their associated System Upgrade Facilities and System Deliverability Upgrades, as applicable, that have accepted their cost allocation in a prior Class Year cost allocation process or in accordance with Section 32.3.5.7 of Attachment Z; 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 proposed generators that interconnect to the distribution system through studies conducted outside of the NYISO's interconnection procedures (*e.g.*, the New York State Standardized Interconnection Requirements ("NYSSIR") process or a utility's individual interconnection procedures) and have been identified as firm in accordance with ISO Procedures; (iv) 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; (v) Transmission Projects that are proposed under Attachments Y or FF 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 Short-Term Reliability Process, selected under the Public Policy Transmission Planning Process, or approved by beneficiaries under the Economic Planning Process, (2) have a completed System Impact Study, and (3) are making reasonable progress under the applicable OATT Attachments Y or FF planning process; (vi) Transmission Projects that are not proposed under Attachments Y or FF to the ISO OATT that have completed a Facilities Study and posted Security for Network Upgrade Facilities as required in Section 22.11.1 of Attachment P to the ISO OATT (if applicable); (vii) 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 (viii) 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.

25.5.5.2        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.

25.5.5.3        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 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 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 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**

The 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 Study.

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 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 32.1.1.7 of Attachment Z to the OATT 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 Project 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.

All parties engaged in performing study work as part of the Annual Transmission Reliability Assessment and Class Year Deliverability Study (collectively, the 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 Study can be presented to the Operating Committee for approval within twelve (12) months from the Class Year Start Date.

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 February 18, 2020. 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 indicate, in the data form attached to the Expedited Deliverability Study Agreement, the MW level of requested CRIS up to the levels permitted by Section 25.8.1 of this Attachment S. 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 Additional SDU Studies**

### **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), 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 preliminary Class Year Deliverability Study results to stakeholders and the ISO Operating Committee approves such results. This notice will be referred to as the "Notice of SDUs Requiring Additional Study." 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. Each Developer to which such notice is issued shall respond to the ISO within 10 Calendar Days to indicate whether it elects to (1) proceed or not proceed with 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 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 Additional SDU Studies**

If no Class Year Project Developer to which the Notice of SDUs Requiring Additional Study 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 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.

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.

For purposes of determining the Class Year Start Date for the next Class Year Study, a 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 S; 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.

### **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.

32.3.1.3 The Interconnection Studies conducted under these procedures shall use the power flow, short circuit and stability data bases and underlying assumption, or the Base Case, that is being used 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, and updated in accordance with the rules set forth in Section 25.5.5.1 of Attachment S to the OATT to be representative of the system conditions as of the date each



Interconnection Study commences (*e.g.*, date of the notice of commencement from the ISO for the optional feasibility study and the system impact study under these procedures or the date on which the facilities study agreement is fully executed under these procedures).

### **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 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 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 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        Acceptance of Cost Allocation and Posting of Security

32.3.5.7.1 Following the issuance of the final facilities study report under these procedures, the Interconnection Customer shall provide notice to the ISO, in writing and via electronic mail, within 30 Calendar Days whether it shall accept its Small Generating Facility cost allocation for the System Upgrade Facilities, if any, identified in the facilities study report, and signify its willingness to pay the Connecting Transmission Owner for the Interconnection Customer's its share of the System Upgrade Facilities. Within five (5) Business Days of the Interconnection Customer's submission of a notice accepting its Small Generating Facility cost allocation for the System Upgrades Facilities in accordance with this Section 32.3.5.7.1, the Interconnection Customer must pay cash or post security in accordance with these rules for the full amount of the Small Generating Facility cost allocation. Failure to accept the Small Generating Facility cost allocation or to pay cash or post security in accordance with these rules shall result in withdrawal of the Small Generator Interconnection Request from the ISO's Interconnection Queue.

32.3.5.7.2 If the Interconnection Customer elects to post security, the Interconnection Customer (i) shall deliver to the Connecting Transmission Owner a signed security agreement, by and between the Interconnection Customer and the Connecting Transmission Owner in its sole discretion, securing the performance of the Interconnection Customer's cost allocation for the System Upgrade Facilities identified in the final facilities study report and (ii) shall provide the Connecting Transmission Owner with an irrevocable, transferrable standby letter of credit in the from required by the aforementioned agreement in

the amount of the cost estimate for the System Upgrade Facilities, as documented in the final facilities study report, in accordance with Section 32.3.5.7.1 of this Attachment Z. The letter of credit must be issued by a financial institution reasonably acceptable to the Connecting Transmission Owner and must specify a reasonable expiration date. Upon successful acceptance by the Connecting Transmission Owner, turnover to the Connecting Transmission Owner shall be reduced on a dollar-for-dollar basis for payments made to the Connecting Transmission Owner for the purpose of performing engineering design, constructing, procuring, and installing of such System Upgrade Facilities.

32.3.5.7.3 Forfeiture of Security. The security that the Interconnection Customer provides the Connecting Transmission Owner in accordance with Section 32.3.5.7 of this Attachment Z shall be irrevocable and shall be subject to forfeiture if the Interconnection Customer subsequently terminates or abandons development of the Small Generating Facility. Any security provided by the Interconnection Customer to the Connecting Transmission Owner shall be subject to forfeiture to the extent necessary to defray the cost of: (1) System Upgrade Facilities required by other Small Generating Facilities for which the Interconnection Customer's Small Generating Facility and System Upgrade Facilities are included in their base cases; (2) System Upgrade Facilities and System Deliverability Upgrade Facilities required for projects for which the Interconnection Customer's Small Generating Facility and System Upgrade Facilities were included in their Class Year Interconnection Facilities Study and/or Additional SDU Study existing system representations; (3) Network



Upgrade Facilities required for other Transmission Developers for which the Transmission Project interconnection studies included the Interconnection Customer's Small Generating Facility and System Upgrade Facilities in their base cases; and (4) Network Upgrades required for other Eligible Customers whose Load interconnection studies included the Interconnection Customer's Small Generating Facility and System Upgrade Facilities in their base cases, as applicable. If Interconnection Customer's security is subject to forfeiture to defray the costs of an affected upgrade pursuant to this Section 32.3.5.7.3 and the security is not in a form that can be readily drawn on by the Connecting Transmission Owner to defray the costs of the affected upgrade, Interconnection Customer shall negotiate in good faith with the Connecting Transmission Owner to replace the security with cash or an alternative form of security that can be readily drawn on by the Connecting Transmission Owner up to the amount required to satisfy Interconnection Customer's security obligations under this Agreement, including defraying the costs of the affected upgrade. Connecting Transmission Owner shall only be responsible for using Interconnection Customer's security to defray the costs of an affected upgrade to the extent the Interconnection Customer has provided cash or security in a form that the Connecting Transmission Owner can readily draw on to defray such costs.

32.3.5.7.4 As soon as practicable after the Interconnection Customer accepts its Small Generating Facility cost allocation for the System Upgrade Facilities identified in the final facilities study report and posts security in accordance with this Section 32.3.5.7, the ISO shall provide the Interconnection Customer and the

Connecting Transmission Owner a draft interconnection agreement in accordance with Section 32.4.8 of Attachment Z.

32.3.5.8 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 and acceptance by the Interconnection Customer of its Small Generating Facility cost allocation and satisfaction of the security posting requirements described in Section 32.3.5.7 of this Attachment Z, 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 Increases in Capacity and Capacity Resource Interconnection Service**

If an existing Small Generating Facility requests an increase in capacity, such increase requires a new Interconnection Request if the increase is a material increase pursuant to Section 32.1.4.2.1. For a material increase, If the Interconnection Request is for the incremental increase in capacity for an existing Small Generating Facility, and the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility; provided however, if the proposed increase will make the Small Generating Facility's total capacity exceed 20 MW, the incremental increase must be evaluated under the Large Facility Interconnection Procedures and the modified facility will be a Large Generating Facility requiring an amendment to the SGIA to conform to the LGIA.

For material increases in the capacity subject to a new Small Generator Interconnection Request, 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 Resource Interconnection Service by a total of 2 MW above its originally established Capacity Resource Interconnection Service value without having the deliverability of that 2 MW increase evaluated under the NYISO Deliverability Interconnection Standard; provided however, for facilities comprised of multiple Generators, this CRIS increase is permitted only at the facility (*i.e.*, Project) level, not at the individual Generator level. A facility that receives a CRIS increase pursuant to this Section 32.4.11.1, to the extent it later combines with another facility or Project to become a co-located resource (*e.g.*, a Co-located Storage Resource or Distributed Energy Resource), is not eligible for any additional CRIS increase above a single increase up to 2 MW, without proceeding through a

deliverability evaluation in a Class Year Study or Expedited Deliverability Study. 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 comprised of multiple Generators behind the same Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple Generators. For a Co-located Storage Resource, the aggregate capacity of the multiple Generators is the aggregate of the maximum injection capability of each individual Generator. If the Interconnection Request is for a Small Generating Facility comprised of multiple Generators, the Interconnection Customer must request ERIS for the Small Generating Facility, such ERIS to be allocated among the multiple Generators comprising the Small Generating Facility as requested by the Interconnection Customer in its Interconnection Request; provided however, the requested allocation for ERIS for the Intermittent Power Resource in a Co-located Storage Resource cannot exceed the Point of Injection limit plus the full withdrawal capability of the Energy Storage Resource.

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 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, and updated consistent with the rules set forth in Section 25.5.5.1 of Attachment S to the OATT at the start of each Interconnection Study under the Small Generator 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 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 Small Generating Facility 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 Project 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. For purposes of the Interconnection Request, a facility comprised of multiple Generators behind the same Point of Injection (as defined in Section 1.16 of the ISO OATT) will be considered a single Small Generating Facility, provided the Interconnection Request identifies a single Interconnection Customer.

**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 any of the following requesting CRIS: (i) any generation facility larger than 2MW; (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 Large Facility that is subject to ISO's Large Facility Interconnection Procedures in Attachment X to the ISO OATT or Small Generating Facility that is subject to 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.

**Project:** The proposed facility as described in a single Interconnection Request, to the extent permitted by Attachments X or Z to the ISO OATT, as applicable. For facilities not 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, the Project refers to the facility as described in a single Class Year Study Agreement or Expedited Deliverability Studies Agreement, to the extent permitted by Attachment S to the ISO OATT.

**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 facility, no larger than 20 MW for the production and/or storage for later injection of electricity identified in the Interconnection Request if proposing to interconnect to the New York State Transmission System or Distribution System, but shall not include (i) facilities proposing to simply receive power from the New York State Transmission System or the Distribution System; (ii) facilities proposing to interconnect to the New York State Transmission System or the Distribution System made solely for the purpose of generation with no wholesale sale for resale nor to net metering; (iii) facilities proposing to the New York State Transmission System or the Distribution System made solely for the purpose of net metering; (iv) facilities proposing to interconnect to LIPA's distribution facilities; and (v) the Interconnection Customer's Interconnection Facilities. A facility comprised of multiple Generators will be treated as a single Small Generating Facility if all Generators within the facility are behind the same Point of Interconnection, even if such Generators are different technology types.

**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 interconnections, 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.

### **A. 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 through the interconnection portal on the NYISO website. The ISO will send a copy to the Connecting Transmission Owner.

### **B. 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.

### **C. 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.

### **D. Interconnection Customer Information**

Legal Name of the Interconnection Customer (or, if an individual, individual’s name) (must be a single individual or entity)

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:\_\_\_\_\_

**E. Application Information**

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: \_\_\_\_\_

#### **F. Small Generating Facility Information**

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

1. Describe the composition of assets (including MW level) within the facility, including load reduction assets (e.g., 5 MW wind facility, 2 MW Energy Storage Resource and a load reduction resource with a maximum of 1 MW of load reduction):  
\_\_\_\_\_  
\_\_\_\_\_

2. Maximum Injection Capability of entire Small Generating Facility over 1 hour:

3. If the facility includes a Resource with Energy Duration Limitations, indicate the maximum injection capability for the entire Small Generating Facility over the selected duration (e.g., 10 MW over 4 hours):  
\_\_\_\_\_  
\_\_\_\_\_

4. Provide the following information for each Generator within the Small Generating Facility:

Energy Source: \_\_\_Solar \_\_\_Wind \_\_\_Hydro \_\_\_Hydro Type (e.g. Run-of-River): \_\_\_\_\_

Diesel \_\_\_Natural Gas \_\_\_Fuel Oil \_\_\_ Other (state type) \_\_\_\_\_

Generator Nameplate Rating: \_\_\_\_\_MW (Typical)      Generator Nameplate MVAR: \_\_\_\_\_

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

\_\_\_\_\_ Yes      \_\_\_\_\_No      Local provider: \_\_\_\_\_

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____

Generator (or solar collector)

Manufacturer, Model Name & Number: \_\_\_\_\_

Version Number: \_\_\_\_\_

Nameplate Output Power Rating in MW: (Summer) \_\_\_\_\_ (Winter) \_\_\_\_\_

Nameplate Output Power Rating in MVA: (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



In addition to the above information, as applicable, for Resources with Energy Duration Limitations, please also provide the following information:

Inverter manufacturer, model name, number, and version: \_\_\_\_\_

Energy storage capability (MWh): \_\_\_\_\_

Minimum Duration for full discharge (i.e., injection) (Hours): \_\_\_\_\_

Minimum Duration for full charge (i.e., withdrawal) (Hours): \_\_\_\_\_

Maximum withdrawal from the system (i.e., when charging) (MW): \_\_\_\_\_

Maximum sustained injection (in MW) over the Developer-selected duration:

Primary frequency response operating range for electric storage resource:

Minimum State of Charge: \_\_\_\_\_ (%) Maximum State of Charge: \_\_\_\_\_ (%)

a.

If wind, total number of generators in wind farm to be interconnected pursuant to this

Interconnection Request: \_\_\_\_\_

Generator Height: Single phase \_\_\_\_\_ Three Phase \_\_\_\_\_

If an Energy Storage Resource:

Inverter manufacturer, model name, number, and version:

Energy storage capability (MWh):

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

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

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

Maximum sustained four-hour injection in MW hours:

Primary frequency response operating range for electric storage resource: \_\_\_\_\_

Minimum State of Charge: \_\_\_\_\_ (%) Maximum State of Charge: \_\_\_\_\_ (%)

## **G. 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: \_\_\_\_\_

## **H. 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) 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:
  - 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
  - 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:
  - 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);
  - 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)

Customer-Site Load: \_\_\_\_\_ MW (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 requested in this Facilities Study Agreement may not exceed 2 MW and may only be requested for a Small Generating Facility that is no larger than 2 MW. A request for CRIS above 2 MW or for a facility larger than 2 MW must be requested by entering a Class Year Study or Expedited Deliverability Study, subject to the eligibility and entry requirements for such studies specified by Attachment S to the ISO OATT.

Evaluation Election for ERIS: \_\_\_\_\_

If requesting ERIS for a Small Generating Facility comprised of multiple Generators, specify the allocation of requested ERIS among such Generators:

Evaluation Election for CRIS (only for Projects 2 MW or smaller):

If requesting CRIS for a Small Generating Facility 2 MW or smaller that is comprised of multiple Generators, specify the allocation of requested CRIS among such Generators:

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 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  $\pm 0.036$  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  $\pm 0.036$  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. 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.

- 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, 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 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 Attachment Z to the ISO OATT shall govern the security that an Interconnection Customer provides for System Upgrade Facilities identified through Interconnection Studies under the Small Generator Interconnection Procedures.
- 6.3.4 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. 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 7.2 and 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 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](mailto: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](mailto: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, and updated consistent with the rules set forth in Section 25.5.5.1 of Attachment S to the OATT at the start of each Interconnection Study under the Small Generator 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 Small Generating Facility 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 any of the following requesting CRIS: (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 Large Facility that is subject to NYISO's Large Facility Interconnection Procedures in Attachment X to the ISO OATT or Small Generating Facility that is subject to 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 facility, no larger than 20 MW for the production and/or storage for later injection of electricity identified in the Interconnection Request if proposing to interconnect to the New York State Transmission System or Distribution



System, but shall not include (i) facilities proposing to simply receive power from the New York State Transmission System or the Distribution System; (ii) facilities proposing to interconnect to the New York State Transmission System or the Distribution System made solely for the purpose of generation with no wholesale sale for resale nor to net metering; (iii) facilities proposing to the New York State Transmission System or the Distribution System made solely for the purpose of net metering; (iv) facilities proposing to interconnect to LIPA's distribution facilities; and (v) the Interconnection Customer's Interconnection Facilities. A facility will be treated as a single Small Generating Facility if all Generators within the facility are behind a single Point of Interconnection, even if such units are different technology types.

**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 interconnections, 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:

	<b>Milestone/Date</b>	<b>Responsible Party</b>
(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]