

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

February 23, 2024

By Electronic Delivery

Honorable Debbie-Anne Reese, Acting Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Filing of an Executed Large Generator Interconnection Agreement for the Holtsville 138kV Energy Storage Project (NYISO Queue Position No. 956) Among the New York Independent System Operator, Inc., Long Island Lighting Company d/b/a LIPA, and Holtsville Energy Storage, LLC; Request for Critical Energy Infrastructure Information Designation; and Request for Waiver of the 60-Day Notice Period; Docket No. ER24-____-000

Dear Ms. Reese:

Pursuant to Section 205 of the Federal Power Act¹ and Section 35.13 of the Commission's regulations,² the New York Independent System Operator, Inc. ("NYISO") hereby tenders for filing an executed Large Generator Interconnection Agreement for the Holtsville 138kV Energy Storage Project (NYISO Queue Position No. 956) entered into by the NYISO, Long Island Lighting Company d/b/a LIPA ("LIPA"), as the Connecting Transmission Owner, and Holtsville Energy Storage, LLC ("Holtsville"), as the Developer (the "Interconnection Agreement").³ The Interconnection Agreement is labeled as Service Agreement No. 2836 under the NYISO's Open Access Transmission Tariff ("OATT").

The NYISO respectfully requests that the Commission accept the Interconnection Agreement for filing. With the limited exceptions described in Part I of this letter, the Interconnection Agreement conforms to the NYISO's *pro forma* Large Generator Interconnection Agreement ("Pro Forma LGIA") that is contained in Attachment X to the

¹ 16 U.S.C. § 824d.

² 18 C.F.R. § 35.13 (2022).

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

OATT. As described in Part II of this letter, the NYISO respectfully requests a waiver of the Commission's prior notice requirements⁴ to make the Interconnection Agreement effective as of February 8, 2024, which is the date of its full execution. Finally, as described in Part III of this letter, the NYISO requests, at LIPA's request, that the one-line diagram included in the Interconnection Agreement be protected from disclosure as Critical Energy Infrastructure Information.

I. Discussion

A. Background

Holtsville is constructing an energy storage facility located in Suffolk County, New York (the "Facility"). Additional details regarding the Facility can be found in Appendix C of the Interconnection Agreement.

The Facility will interconnect to certain facilities of LIPA that are part of the New York State Transmission System. The Point of Interconnection for the Facility is the connecting Bus 13 between disconnect switches 1391 and 1441 at LIPA's West Bus 138 kV Substation. Figure A-1 in Appendix A of the Interconnection Agreement includes a one-line diagram showing the Point of Interconnection.

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

The Interconnection Agreement was fully executed on February 8, 2024, by the NYISO, LIPA, and Holtsville. The Interconnection Agreement largely conforms to the language in the Pro Forma LGIA contained in Attachment X of the NYISO OATT with the exceptions described below in this Part I.B. The NYISO submits that the changes specified below satisfy the Commission's standard for variations from the Pro Forma LGIA, because unique circumstances exist that require a non-conforming agreement.⁵ Therefore, the NYISO respectfully requests that the Commission accept the Interconnection Agreement with the non-conforming changes.

1. Modifications Required to Address LIPA's Status as a Non-Jurisdictional, Tax-Exempt Municipal Utility

The Interconnection Agreement includes several modifications recognizing LIPA's status as a non-jurisdictional municipal utility pursuant to Section 201(f) of the Federal Power Act ("FPA").⁶ As a municipal utility, LIPA is not subject to certain federal and state tax laws.

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

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

⁶ 16 U.S.C. § 824(f).

Further, LIPA holds, and has the authority to issue, tax-exempt debt for use in the construction, operation and maintenance of its transmission system. LIPA's tax-exempt status and issuance of tax-exempt debt already is recognized under applicable terms of the NYISO OATT and related agreements. Accordingly, this Interconnection Agreement includes the following set of changes:

- The Recitals have been modified to note LIPA's status as a non-jurisdictional municipal utility.
- Articles 2.1, 2.3.1 and 29.13 have been modified to delete the words "Connecting Transmission Owner" to reflect that the NYISO (in its role as the jurisdictional public utility) is individually making required filings with the Commission pursuant to the FPA. Article 29.13 is further modified, consistent with LIPA's non-jurisdictional status, to reflect that any party may make a unilateral filing with the Commission to modify this Interconnection Agreement pursuant to FPA Section 206.
- Article 3 has been modified to clarify that the filing of the Interconnection Agreement with the Commission by the NYISO shall not be construed as a waiver of LIPA's status as a non-jurisdictional municipal utility pursuant to FPA Section 201(f).
- Article 5.11 has been modified to indicate that LIPA's Attachment Facilities and Stand Alone System Upgrade Facilities will be treated as Transmission Facilities Requiring ISO Notification.
- Article 5.17, which governs tax matters, has been deleted to reflect LIPA's tax-exempt status as a municipal utility. The parties have inserted "Reserved" into Article 5.17, so the numbering for subsequent sections does not need to be adjusted due to the deletion.

These modifications do not change the substantive procedures and standards for interconnection. The purpose of these modifications is to properly reflect LIPA's non-jurisdictional and tax-exempt status. The Commission has previously accepted these types of modifications to the Pro Forma LGIA.⁷

In addition, the parties agreed to make certain revisions to reflect the fact that Long Island Electric Utility Servco LLC ("Servco") will be executing the Interconnection Agreement on behalf of LIPA as LIPA's agent. In particular, the parties revised the preamble and the signature block to establish Servco's role in the Interconnection Agreement, including providing that Servco will not be a party to the Interconnection Agreement and will not have any liability under the Interconnection Agreement, and clarifying that LIPA will have full liability for the

⁷ See, e.g., *New York Independent System Operator*, Letter Order, Docket No. ER17-2151-000 (Sept. 8, 2017) (accepting revisions to reflect LIPA's status as a non-jurisdictional municipal utility); *New York Independent System Operator*, Letter Order, Docket No. ER11-1975-000 (Dec. 15, 2010) (same) (re-filed by the NYISO to address an eTariff display issue); see *New York Independent System Operator*, Letter Order, Docket No. ER11-1975-001 (Feb. 18, 2011)).

obligations of the Connecting Transmission Owner under this Agreement. Further, the parties revised the indemnity requirements in Article 18.1 to provide that each party would indemnify the other parties “and their agents” to account for Servco in the indemnity rules.

2. Modification to Address Phasor Measurement Unit Requirements

Article 9.10 of the Pro Forma LGIA requires Developers to install, at their expense, a measurement unit (“PMU”) on the low side of the step-up transformer, along with related PMU equipment, and to collect and transmit PMU data to the NYISO and to the Connecting Transmission Owner. The NYISO introduced the PMU requirements in the Pro Forma LGIA in 2017 to enhance the NYISO’s ability to monitor the transmission grid for the New York Control Area and to determine real-time grid stability margins.⁸

The PMU requirements require a Developer to install a PMU on the low side of the transformer and then transmit the PMU data via the Connecting Transmission Owner’s system. LIPA, however, does not currently possess the capability to obtain the data from Holtsville or to transmit the data to the NYISO, and the NYISO is unable at this time to accept PMU data directly from LIPA. The parties therefore agreed to reserve Article 9.10 and not apply the PMU requirements to the Interconnection Agreement. The Commission has previously accepted this change to the NYISO’s Pro Forma LGIA.⁹

3. Modifications Related to Billing and Security Arrangements

Article 12.1 of the Pro Forma LGIA provides for a Connecting Transmission Owner to bill the Developer on a monthly basis for amounts due for the preceding month. LIPA and Holtsville have agreed to an alternative billing arrangement for Holtsville to make advanced payments to LIPA, which will include using advanced payment as the form of security for the Connecting Transmission Owner’s Attachment Facilities as permitted by Article 11.5. Accordingly, the parties have agreed to modify Article 12.1 of the Interconnection Agreement to reference the details of the alternative billing arrangement, which are set forth in Section 3 of Appendix B of the Interconnection Agreement. The Commission has previously accepted this change to NYISO’s interconnection agreements.¹⁰

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

The NYISO requests an effective date of February 8, 2024, for the Interconnection Agreement, which is the date of its full execution. The NYISO respectfully requests that the

⁸ See *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER18-80-000 (Dec. 7, 2017) (accepting NYISO’s tariff revisions to improve its interconnection process, including the insertion of PMU requirements in Article 9.10 of the Pro Forma LGIA).

⁹ See, e.g., *New York Independent System Operator, Inc., et al.*, Letter Order, Docket No. ER23-78-000 (Dec. 6, 2022) (accepting non-conforming revisions to reserve phasor measurement unit requirements).

¹⁰ See, e.g., *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER22-1887-000 (July 14, 2022) (accepting non-conforming revisions for alternative billing arrangement).

Commission waive its prior notice requirement to permit the requested effective date. The Commission has previously permitted interconnection agreements to become effective upon the date of execution.¹¹

III. Request for CEII Treatment

LIPA has indicated that the one-line diagram included as the figure in Appendix A of the Interconnection Agreement contains detailed, one-line schematics of LIPA's facilities that, if disclosed, could pose a threat to the security and the reliability of the New York State bulk power system. Pursuant to Sections 388.112 and 388.113 of the Commission's regulations,¹² at LIPA's request,¹³ the NYISO requests that the one-line diagram included as the figure in Appendix A of the Interconnection Agreement be protected from disclosure as Critical Energy Infrastructure Information ("CEII").¹⁴ The diagram provides more than simply the general location of critical infrastructure. Unlike publicly available maps of power transmission lines and generation and substation facilities, the schematic shows the exact nature and specific location of facilities used to maintain the reliability of the New York State bulk power system.

The diagram, in LIPA's assessment, reveals such critical information related to the facilities depicted therein that, if disclosed, could be useful to a person seeking to disable the power grid. Therefore, the disclosure of the CEII diagram would pose a threat to the reliability of the New York State bulk power system and the health and safety of New York residents. Moreover, the information revealed in this schematic reveals CEII, which the Commission has

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

¹² 18 C.F.R. §§ 388.112 and 388.113 (2022).

¹³ As LIPA is a non-jurisdictional municipal utility pursuant to Section 201(f) of the FPA, the NYISO is submitting this Interconnection Agreement pursuant to Section 205 as the sole filing party and is requesting CEII treatment of certain material detailed in this Section III at LIPA's request on its behalf. Any questions concerning this request for privileged and confidential treatment should be directed to LIPA at the contact information provided below.

¹⁴ As required by Section 388.113(d)(1)(i) of the Commission's regulations, the NYISO, at LIPA's request, has described in this filing letter how the one-line diagram in Appendix A satisfies the definition of critical energy infrastructure information as that term is defined in Section 388.113(c)(1). In addition, as required by Section 388.113(d)(1)(ii) the cover page of this filing letter and the relevant page of the Interconnection Agreement that contains critical energy infrastructure information is labelled as including CEII and marked DO NOT RELEASE, and a Public and CEII version of the Interconnection Agreement are being filed with this letter. The CEII material is redacted in the Public version. Finally, as required by Section 388.113(d)(1)(i), at LIPA's request, the NYISO requests that the Commission designate the CEII material submitted on February 23, 2024, with the full five-year CEII designation provided for in Section 388.113(e)(1) as the information provided in the one-line diagrams will continue to satisfy the definition of critical energy infrastructure information for this entire period.

determined to be exempt from mandatory disclosure under 5 U.S.C. § 552(b)(7)(F). The diagram has been omitted from the Public version of the Interconnection Agreement included in this filing.

At LIPA's request, the NYISO is electronically submitting a non-public version of this filing. The diagram is included only in the non-public version of the Interconnection Agreement in the filing. The non-public diagram is marked: "**FIGURE CONTAINS CEII – DO NOT RELEASE PURSUANT TO 18 C.F.R. §§ 388.112 and 388.113.**" The non-public diagram should be treated as CEII reviewable by Commission Staff. In accordance with the Commission's April 14, 2017 notice on labeling of non-public information, each page of the non-public version of the filing is marked "**CUI//CEII.**"¹⁵ A placeholder has been included in place of the non-public diagram in the public version of the Interconnection Agreement.

All communications relating to this request for privileged and confidential treatment should be addressed to:

Robert Grassi, Assistant Counsel - Regulatory
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IV. Communications and Correspondence

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

For the NYISO¹⁶

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President, General Counsel, & Chief
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¹⁵ See Notice of Document Labelling Guidance for Documents Submitted to or Filed with the Commission or Commission Staff (Apr. 14, 2017) (unreported).

¹⁶ The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) (2022) to permit service on counsel in both Washington, D.C. and Richmond, VA.

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V. Documents Submitted

The NYISO respectfully submits the following documents with this filing letter:

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

VI. Service

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

Honorable Debbie-Anne Reese

February 23, 2024

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VII. Conclusion

Wherefore, the NYISO respectfully request that the Commission accept the Interconnection Agreement for filing with an effective date of February 8, 2024.

Respectfully submitted,

/s/ Sara B. Keegan

Sara B. Keegan

Counsel for the

New York Independent System Operator, Inc.

cc: Janel Burdick
Emily Chen
Matthew Christiansen
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