

40.7 Customer Engagement Window/ Phase 1 Entry Decision Period

40.7.1 Customer Engagement Window Start Date, Duration, and Scope

40.7.1.1 The Customer Engagement Window for the Cluster Study Process shall commence on the first Business Day after the end date of the Application Window.

40.7.1.2 The Customer Engagement Window period shall be a seventy (70) Calendar Day period for a Cluster Study Process; except as follows:

(i) for the Transition Cluster Study Process, this period shall complete at the later of: (A) a ninety (90) Calendar Day period and (B) the completion of the Final Decision Period for the Class Year Study for Class Year 2023; and

(ii) for subsequent Cluster Study Processes, this period shall be extended to the extent required by Section 40.5.1.3.

40.7.1.3 During the Customer Engagement Window: (i) the ISO shall complete its review and validation of Interconnection Requests submitted, but not validated, during the Application Window, (ii) the ISO shall post the Cluster Study Project List in accordance with the requirements in Section 40.7.2, (iii) the Connecting Transmission Owner shall perform the Physical Infeasibility Screening of the proposed interconnections of the Cluster Study Projects in accordance with the requirements in Section 40.7.3, and (iv) the ISO shall conduct the Scoping Meeting in accordance with the requirements in Section 40.7.4.

40.7.2 Posting of Cluster Study Project List

40.7.2.1 Within ten (10) Business Days of the commencement of the Customer Engagement Window, the ISO shall post on its OASIS, or a publicly accessible portion of its website, the Cluster Study Project List, which is a list of the validated Interconnection Requests and CRIS-Only Requests for that Cluster. The list shall identify for each Interconnection

Request and each CRIS-Only Request: (1) the requested amount of Energy Resource Interconnection Service and/ Capacity Resource Interconnection Service; (2) the location by county and state; (3) the station or transmission line or lines of the requested Point of Interconnection; (4) the proposed Initial Backfeed Date; (5) the type of Interconnection Service requested; (6) the type of Facility to be constructed, including fuel types, such as coal, natural gas, solar, wind, storage, or combined resource; (7) the number of proposed generator leads; (8) Queue Position; (9) whether the Interconnection Request or CRIS-Only Request is for a Contingent Project; and (10) the applicable Connecting Transmission Owner and any identified Affected Transmission Owners.

40.7.2.2 If an Interconnection Customer withdraws its Interconnection Request or CRIS-Only Request, or such Interconnection Request or CRIS-Only Request is deemed withdrawn by the ISO, during the Customer Engagement Window up to five (5) Business Days after the ISO posts the Cluster Study Project List, the Interconnection Request shall not be subject to a Withdrawal Penalty as set forth in Section 40.7.6.2.

40.7.2.3 Within five (5) Business Days after the ISO posts the Cluster Study Project List, the Interconnection Customer may propose a modification to the Point of Interconnection in its Interconnection Request for its Cluster Study Project other than for a Contingent Project; *provided, however,* that such modification cannot modify the electrical characteristics of its Cluster Study Project. The Interconnection Customer shall submit to the ISO any requested change to the Point of Interconnection through the Facility Modification Request set forth in Appendix 5. If the Interconnection Customer submits a Facility Modification Request requesting to change the Point of Interconnection, then the ISO shall modify the priority designation of the Queue Position assigned to its Interconnection Request pursuant to Section 40.6.1.1 based on the

date and time of the ISO's receipt of the Interconnection Customer's submission of the completed Facility Modification Request form requesting the change and will notify the Connecting Transmission Owner and Affected Transmission Owner of this change when notifying the Interconnection Customer of its modified Queue Position

40.7.3 Physical Infeasibility Screening

40.7.3.1 During the Customer Engagement Window, the Connecting Transmission Owner and any Affected Transmission Owner(s) identified pursuant to Section 40.5.7.1.1 in connection with the proposed interconnection of a Cluster Study Project (except for CRIS-Only Cluster Study Projects) shall review the proposed interconnection of the Cluster Study Project to assess whether the proposed Point of Interconnection is Physically Infeasible as defined in Section 40.7.3.2 and shall provide the ISO their written assessment.

40.7.3.2 An Interconnection Request shall be deemed Physically Infeasible if:

- (1) (i) the substation for the selected Point of Interconnection does not have any available bus positions and (ii) (a) is not expandable electrically or within the existing substation footprint, or (b) adjacent usable vacant land is not available, or (c) proposals by Interconnection Customer are inconsistent with Good Utility Practice or Applicable Reliability Requirements; or
- (2) a viable tie line cable route(s) cannot be established from either the Point of Change of Ownership to the Point of Interconnection or, where these points are the same, a viable route cannot be established within or from the fence line; or
- (3) (i) the project capacity exceeds the ratings of equipment at the substation selected for the Point of Interconnection, (ii) replacement equipment that would be adequately rated for the project capacity is not commercially available from an approved supplier and

within applicable specifications set by the Transmission Owner, and (iii) an alternative upgrade is not physically feasible (e.g., higher voltage Point of Interconnection substation). For purposes of this subpart (3), “commercially available” equipment shall mean equipment manufactured by an approved supplier of a particular Connecting Transmission Owner and conforming with engineering specifications and procedures of the Connecting Transmission Owner. This section does not create an obligation of a Transmission Owner to acquire through eminent domain or otherwise any real property, subject to the Land of Other Property Owners requirements in Section 5.13 of the Standard Interconnection Agreement in Appendix 15 to this Attachment HH.

40.7.3.3 The ISO shall issue a report with the results of the Physical Infeasibility Screening for that Cluster. If, as a result of the Physical Infeasibility Screening or at any time in the Cluster Study Process, the ISO determines, in consultation with the Connecting Transmission Owner or Affected Transmission Owner, that the proposed interconnection of a Cluster Study Project is Physically Infeasible as defined in Section 40.7.3.2, then the ISO shall notify the Interconnection Customer that the proposed interconnection of its Cluster Study Project is Physically Infeasible and shall withdraw the Interconnection Request for the project pursuant to Section 40.6.4.

40.7.3.4 If: (i) more than one Interconnection Request in a Cluster proposes to interconnect at the same Point of Interconnection on the New York State Transmission System or Distribution System and (ii) all of the Interconnection Requests proposing to interconnect at that location are not able in the aggregate to interconnect due to a Physical Infeasibility, then an Interconnection Request with a Queue Position with a higher designated priority shall have priority over an Interconnection Request with a Queue Position with a lower designated priority

(including as between Interconnection Requests within the same Cluster) for access to that Point of Interconnection for purposes of Physical Infeasibility determinations.

40.7.3.5 For purposes of applying Section 40.7.3.4 if one or more of the Cluster Study Projects proposing to interconnect at the same Point of Interconnection are Contingent Projects, the Transmission Owner shall perform two Physical Infeasibility assessments.

40.7.3.5.1 For the first Physical Infeasibility assessment, the Transmission Owner (i) will assume all Pending Projects, including those associated with Contingent Projects, that their associated Pending Projects have accepted their Project Cost Allocation and provided the required cash or Security in, as applicable, the ongoing Class Year Study, Cluster Study, Additional SDU Study, or Small Generator Interconnection Procedures facilities study and (ii) will assess whether, with these Pending Projects assumed in the baseline of the system used in the assessment, there are Physical Infeasibility issues for any remaining Cluster Study Projects that are not Contingent Projects. This first assessment will be used for determining which Interconnection Requests for the Cluster Study Projects that are not Contingent Projects are Physically Infeasible if the Pending Project(s) proceed to accept their Project Cost Allocation and provide the required cash or Security in, as applicable, the ongoing Class Year Study, Cluster Study, Additional SDU Study, or Small Generator Interconnection Procedures facilities study.

40.7.3.5.2 For the second Physical Infeasibility assessment, the Transmission Owner: (i) will assume for all Pending Projects, including those associated with Contingent Projects, that the Pending Projects do not accept their Project Cost Allocation and/or do not provide the required cash or Security in, as applicable, the ongoing Class Year Study, Cluster Study, or Additional SDU Study, or Small Generator Interconnection Procedures facilities study and (ii)

assuming all of the Pending Projects are not used in the baseline of the system used in the assessment, will assess all Cluster Study Projects, including Contingent Projects, equally for their access to the Point of Interconnection and will apply the priority rules in Section 40.7.3.4.

40.7.4 Scoping Meeting

During the Customer Engagement Window, and after the ISO posts the Physical Infeasibility screening report, the ISO shall hold a group Scoping Meeting with all Interconnection Customers with validated Interconnection Requests and CRIS-Only Requests included in the Cluster for that Cluster Study Process, along with the Connecting Transmission Owners and any Affected Transmission Owner(s) identified in connection with the Interconnection Requests. The ISO will provide notice of the Scoping Meeting by sending notice to the contact list of the Cluster Study Projects included in the Cluster Study Project List and the applicable Connecting Transmission Owners, Affected Transmission Owners, and Affected System Operators. In setting the date for the Scoping Meeting, the ISO will consult with the Transmission Owners concerning the timeframe for completion of the Physical Infeasibility Screening, with the Scoping Meeting to take place no later than the last Business Day before the close of the Customer Engagement Window.

The purpose of the Scoping Meeting shall be to reinforce the roles and responsibilities of all parties in the interconnection process, including to discuss the study scope for the Cluster Study, the schedule, and the work plan, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to discuss the results of the Physical Infeasibility Screening, including summarizing potential Physical Infeasibility issues, and to analyze such information. The ISO, Connecting Transmission Owner, Affected Transmission Owner(s), and Interconnection Customer 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 duration of the meeting shall be sufficient to accomplish its purpose. If the Scoping Meeting consists of more than one Interconnection Customer, the ISO shall issue, no later than fifteen (15) Business Days after the commencement of the Customer Engagement Window, and Interconnection Customer shall execute, a non-disclosure agreement prior to a group Scoping Meeting, which will provide for confidentiality of commercially sensitive information identified in the Scoping Meeting pertaining to any other Interconnection Customers. 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.

40.7.5 Phase 1 Entry Decision Period

40.7.5.1 The Phase 1 Entry Decision Period for the Cluster Study Process shall commence on the first Business Day after the end date of the Customer Engagement Window.

40.7.5.2 The Phase 1 Entry Decision Period shall be a five (5) Business Day period.

40.7.5.3 A Cluster Study Project will be included in the Phase 1 Study if, during the Phase 1 Entry Decision Period, the Interconnection Customer for the Cluster Study Project:

(i) notifies the ISO of its election for its Cluster Study Project to proceed to the Phase 1 Study;

(ii) submits to the ISO an updated proposed Initial Backfeed Date, an updated proposed Synchronization Date, and an updated proposed Commercial Operation Date; and

(iii) provides the ISO with the Readiness Deposit 1 for its Cluster Study Project in accordance with the requirements in Section 40.2.4.2. The Readiness Deposit 1 shall be \$4,000 per MW based on the requested ERIS amount at the Point of Interconnection for the Cluster

Study Project; *provided, however*, that a CRIS-Only Cluster Study Project is not required to provide Readiness Deposit 1 to proceed to the Phase 1 Study.

40.7.6 Withdrawal and Withdrawal Penalties

40.7.6.1 If an Interconnection Customer does not satisfy the requirements in Section 40.7.5.3 for the Cluster Study Project to proceed to the Phase 1 Study, then the ISO shall withdraw the Interconnection Request or CRIS-Only Request for the Cluster Study Project from the ISO's Queue pursuant to the Withdrawal requirements in Section 40.6.4.

40.7.6.2 If an Interconnection Customer withdraws the Interconnection Request or CRIS-Only Request for a Cluster Study Project, or the Interconnection Request or CRIS-Only Request is deemed withdrawn by the ISO, from the ISO's Queue during the Customer Engagement Window or at the Phase 1 Entry Decision Period, the Interconnection Customer for the Cluster Study Project, including a CRIS-Only Cluster Study Project, shall pay a Withdrawal Penalty in an amount equal to twenty-five percent (25%) of its initial Study Deposit amount for the project; except for the following:

(i) if the Interconnection Request or CRIS-Only Request was withdrawn or was deemed withdrawn by the ISO during the Customer Engagement Window up to five (5) Business Days after the ISO posted the Cluster Study Project List pursuant to Section 40.7.2.2, then the Cluster Study Project shall not be assessed a Withdrawal Penalty;

(ii) if the ISO determined that the Cluster Study Project cannot move forward due to Physical Infeasibility pursuant to Section 40.7.3, then the Cluster Study Project shall not be assessed a Withdrawal Penalty; and

(iii) if the Interconnection Request or CRIS-Only Request was for: (A) a Contingent Project that was withdrawn by the ISO pursuant to Section 40.5.4.1.3 or (B)

for a Contingent Project that was converted to a CRIS-Only Cluster Study Project and informs the ISO of its election to withdraw prior to the Phase 1 Study pursuant to Section 40.5.4.1.3, then the Interconnection Request or CRIS-Only Request shall not be assessed a Withdrawal Penalty.

40.7.6.2.1 The ISO shall invoice, and Interconnection Customer shall pay, any Withdrawal Penalty as set forth in Section 40.24.3.

40.7.6.3 The ISO shall apply the collected Withdrawal Penalty Funds pursuant to Section 40.6.5.