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Re: ACE NY interconnection queue reform feedback and comments to NYISO

The Alliance for Clean Energy New York (ACE NY) appreciates NYISO's efforts to incorporate stakeholder feedback into its Order No. 2023 compliance proposal. ACE NY and its members value the opportunity to provide feedback during the IITF meetings and in writing. Based on the recent Operating Committee meeting on December 14, 2023, and the December 8, 2023, IITF meeting, ACE NY has three topics that we wish to provide input on for NYISO's consideration. ACE NY plans to submit additional comments in early 2024.

Prioritization in Transition Cluster

In its most recent letter to the NYISO on November 29, 2023, in the Transition Process section, ACE NY suggested three options for the NYISO to consider to implement a mechanism that acknowledges current queue priority for projects that have reached a certain stage in the interconnection process and enables other projects to be studied efficiently and avoid year-long pauses in the queue to maintain fairness in the transition cluster.

ACE NY now recommends that NYISO choose suggestion A: *Establish a portion of the Application Window explicitly for projects that have submitted an interconnection request, as of December 1, 2023, to give opportunity for earlier validation timing compared to new entries. (i.e., the first 30 days of the 90-day Application Window are reserved for existing queue re-submissions).* This would not change NYISO's planned use of validation timing for project priority but affords a greater likelihood that existing queue positions will be granted feasibility priority over new entries submitted later in the window.

Penalties for Physically Infeasible POI

ACE NY emphasizes its position that if there are Point of Interconnection (POI) feasibility issues, developers should not be penalized. Per the presentation on December 14, 2023, withdrawal penalties are reduced if a physical infeasibility is determined by NYISO. ACE NY believes that developers should not be penalized for factors out of their control. The NYISO should ensure that the information



about project POI feasibility is complete so developers can take the necessary action. Developers would not want to remain in the cluster based on incomplete information, only to withdraw at a later phase due to POI infeasibility.

If the NYISO informs a developer that their project has a physically feasible POI and the developer later withdraws for another reason, ACE NY agrees that a penalty is appropriate.

Energy Storage Resources

ACE NY opposes NYISO's proposed regional variation to FERC Order 2023 on energy storage because energy storage resources should not always be modeled as if they will be charging during peak hours. ACE NY members appreciate the benefits of the NYISO's Minimum Interconnection Standard (MIS); specifically, its ability to use redispatch, including dispatching down the studied interconnection project, to resolve overloads on transmission facilities. ACE NY is concerned, however, about the inability of MIS to be used for overloads on unsecured facilities. There are many instances of energy storage resources interconnecting at unsecured facilities. In such instances, modeling energy storage resources as if they will be charging during peak hours leads to an unrealistic NYISO system scenario with an illusory increase in loads, triggering unnecessary and costly upgrades. The best outcome would be if NYISO modeled storage resources according to the proposed charging behavior of not charging during peak time periods. Storage projects operate to be profitable through arbitrage, storing energy during low-demand periods and dispatching energy when demand is high.

ACE NY acknowledges NYISO's concerns about the additional complexity of studying different scenarios for storage charging. If FERC accepts the regional variation, ACE NY suggests an interconnection procedural change if an unsecured facility were identified to be overloaded. In this situation, rather than automatically identifying upgrades and assigning their cost to the interconnection project, the NYISO could evaluate if this facility could be secured using Section 5 of the *Transmission and Dispatch Operations Manual*. If the facility is not able to be secured, then upgrades could be identified and assigned to the resource.

For example, in the *Buchanan Energy Storage-South Interconnection Feasibility Study*, two issues at Sugarloaf-St. Forest were not alleviated by the MIS. First, an overload on Sugarloaf-St. Forest 138 kV was identified that would cost \$28.76M for reconductoring. Second, voltage issues on the 46 kV network were identified that would cost \$10.38M for MVAR capacitor bank. In this scenario, the Sugarloaf-St. Forest 138 kV line would have been a candidate for becoming a secured line, and the underlying 46 kV network would not. Therefore, the required solution for the project would be securing the Sugarloaf-St. Forest 138 kV line (thereby avoiding the \$28.76M reconductoring cost), leaving just the \$10.38M for the MVAR capacitor bank. ACE NY acknowledges that this solution would require coordination with the Transmission Owners (TOs) and Operations.

To the extent the interconnection study shows that upgrades are needed at very low voltage lines on the system, i.e. lines that are not obvious candidates to be secured, the only solution under the NYISO's proposal is to do an upgrade. ACE NY points out that such an upgrade harms developers because in



the real system no such upgrade would be needed. The only reason the study shows such a need is the NYISO's preference to model ESRs charging on peak.

Sincerely,

Mark Reeder
Consultant for ACE NY