



**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Improvements to Generator Interconnection )  
Procedures and Agreements )  
Docket No. RM22-14-000 )**

**Reply Comments on Notice of Proposed Rulemaking Regarding Improvements to  
Generator Interconnection Procedures and Agreements**

*Submitted by the Alliance for Clean Energy New York  
December 14, 2022*

**I. Introduction**

The Alliance for Clean Energy-New York (“ACE NY”), on October 13, 2022, submitted comments<sup>1</sup> on the Federal Energy Regulatory Commission (“Commission”) Notice of Proposed Rulemaking (“NOPR”) in the above-captioned proceeding.<sup>2</sup> ACE NY submits these Reply Comments in response to the comments submitted by the New York Independent System Operator<sup>3</sup> (“NYISO”) to assist the Commission in developing a final rule that adopts many of the reforms in the NOPR.

---

<sup>1</sup> Comments on Notice of Proposed Rulemaking Regarding Improvements to Generator Interconnection Procedures and Agreements, Submitted by Alliance for Clean Energy New York, Docket No. RM22-14-000, (October 13, 2022) (“ACE NY Comments”)

<sup>2</sup> Improvements to Generator Interconnection Procedures and Agreements, Notice of Proposed Rulemaking, 179 FERC ¶ 61,194 (2022) (“NOPR”).

<sup>3</sup> Comments of the New York Independent System Operator, Inc, Docket No. RM22-14-000, (October 13, 2022) (“NYISO comments”)

ACE NY is a member-based organization with a mission of promoting the use of clean, renewable electricity technologies and energy efficiency in New York State to increase energy diversity and security, boost economic development, improve public health, and reduce air pollution. Our diverse membership includes companies engaged in the full range of clean energy technologies, but particularly developers of grid-scale renewable energy projects in New York State.

II. THE COMMISSION SHOULD ACT TO REFORM GENERATOR INTERCONNECTION PROCEDURES AND AGREEMENTS

**a. Improvements Should Not be Deterred by a Need to Add Staff**

Improvements to processes often come only with the addition of resources, either capital resources or human resources. The NYISO, in its comments, repeatedly argues that proposals for improvements should not be done due to the additional work that would be required, making statements such as “This process would require the NYISO to redirect limited resources that could otherwise ...” and “To perform such studies, the NYISO would have to redirect limited resources from ...”<sup>4</sup> The Commission should not be deterred from requiring improvements by the observation that the needed improvements may require added resources. If an improvement is necessary, it should be made, whether it requires added resources or not. Only if the value of an improvement does not yield benefits larger than the cost of the added resources should the need for added resources become a reason for abandoning a proposed improvement.

**b. Performing Studies On-time Should be Motivated by Both Penalties and Rewards, Even for RTOs/ISOs**

ACE NY affirms its support for the Commission to establish financial penalties as a way of enforcing study completion deadlines. As noted in ACE NY’s Comments, the best approach

<sup>4</sup> NYISO Comments at Page 8 and at Page 17.

would be one that includes both penalties for poor performance and rewards for excellent performance.<sup>5</sup> An incentive-only mechanism, that fails to include penalties, is not sufficient.

The NYISO notes that delays are sometimes caused by parties other than ISOs or Transmission Owners (“TOs”).<sup>6</sup> This is undoubtedly true. But it is also true that ISOs and TOs can and do cause delays. Project developers have strict deadlines they must adhere to in the interconnection process, with penalties that include the forced withdrawal of the project from the queue. These penalties provide a strong motivation for project developers to meet those deadlines. It is the TOs and RTOs/ISOs that face no consequences for missing deadlines. While it is true, as the NYISO states, that it has no motive to delay interconnection studies<sup>7</sup>, it is also true that it has no motive to accelerate studies. The problem, as noted by the Commission, is the failure of the current rules to provide a meaningful incentive to TOs and RTOs/ISOs to complete studies on time.<sup>8</sup> A regime of financial penalties and positive financial rewards is needed to cure that deficiency.

The NYISO, noting that RTOs/ISOs do not have shareholders, states that penalties should not be imposed on RTOs/ISOs. This is an issue that deserves careful consideration. But it is not a reason to abandon the NOPR’s penalties proposal as regards RTOs/ISOs. As one example of a possible resolution, ISO New England recently reached a settlement with the Commission’s Office of Enforcement to absorb a financial penalty through a reduction in executive compensation.<sup>9</sup>

**c. The NYISO’s Databases Available for Developers’ Use are Insufficient and Need to be Expanded**

The NYISO Comments oppose the NOPR’s proposal to require that transmission providers publicly post information pertaining to generator interconnection, saying that the NYISO already makes information available in the form of FERC 715 database cases that developers can use to

---

<sup>5</sup> ACE NY Comments at Page 14.

<sup>6</sup> NYISO Comments at page 28.

<sup>7</sup> NYISO Comments at Page 39.

<sup>8</sup> NOPR at Page 122.

<sup>9</sup> See the ISO New England [press release](#) on this settlement.

do their own information gathering.<sup>10</sup> These database cases do not contain sufficient data about the generation interconnection queue and study assumptions and are therefore inadequate to meet the informational needs of developers. Database cases that go farther down the system, such as those currently being made available by the Midcontinent ISO (MISO) and the Pennsylvania-New Jersey-Maryland ISO (PJM) should be required.

**d. *Pro Forma* Construction Agreements for Affected Systems Studies Should be Required**

The extent of the NYISO's support of the NOPR's requirement for *pro forma* construction agreements for affected systems is unclear in the situation in which affected system work is in another region (e.g., from New York's perspective, in PJM or ISO New England). The NYISO states that the use of such agreements should be addressed between neighboring regions.<sup>11</sup> The Commission should allow flexibility for neighboring regions to develop such *pro forma* agreements, but the Commission should be clear that they are required.

**e. Quality Cost Estimates Require Transparency and the Participation of the Project Developer in the Cost Estimation Process**

The NYISO, in discussing the enforcement of study deadlines, notes that quality may suffer if penalties are established for missing deadlines. For example, the NYISO states, "Having less time to finish a study could result in the identification of upgrades that mitigate reliability impacts but are not the optimal choice for the system."<sup>12</sup> Upgrade decisions that lead to excessive upgrade costs are borne by project developers in New York at this time. Setting aside the issue of time pressure, a better process is needed to obtain quality cost estimates for facility upgrades. Currently, from a project developer's perspective, the cost estimation process is not transparent. Increased transparency is needed. Specifically, the inclusion of the project developer in the upgrade identification and cost estimation process will make it more transparent to project developers and will lead to a better process, with better results.

---

<sup>10</sup> NYISO Comments at Page 17.

<sup>11</sup> NYISO Comments at Page 45.

<sup>12</sup> NYISO Comments at Page 39.

### III. CONCLUSION

ACE NY strongly supports the Commission's proposals. They need to be implemented. TOs and RTOs/ISOs need to be required to make improvements, even if doing so is hard, even if doing so creates some added risk for TOs and RTOs/ISOs, and even if doing so requires more staff. ACE NY stands ready to continue to work with the Commission, other stakeholders and the NYISO to make these processes as successful as possible.

Respectfully submitted,

A handwritten signature in cursive script that reads "Anne Reynolds".

Anne Reynolds, Executive Director  
The Alliance for Clean Energy-New  
York  
119 Washington Avenue, Suite 103  
Albany, NY 12210  
[areynolds@aceny.org](mailto:areynolds@aceny.org)