



February 27, 2024

Sara Keegan
New York Independent System Operator, Inc.
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Dear Ms. Keegan,

Re: ACE NY Interconnection Reform COD Extension Tariff Proposal

The Alliance for Clean Energy New York (ACE NY) appreciates the NYISO's commitment to working with its stakeholders and welcoming our feedback on the Open Access Transmission Tariff (OATT) Attachment HH draft tariff language provided under the Interconnection Issues Task Force (IITF) meeting materials. ACE NY also valued the opportunity and time the NYISO staff and counsel spent meeting with us in a small group to discuss and help shape the new Commercial Operation Date (COD) rules. As promised when we met with you, we have worked closely with our members and offer this proposal to comprehensively address the base COD rule and the exceptions with a specific focus on the reasonable progress exception, and as requested, further input on the critical milestones. Please note that the critical milestones are offered for discussion purposes; we seek to address your needs while developing a workable structure going forward.

As detailed below, ACE NY would like to suggest the following additions and revisions to the tariff sections on COD extensions. The tariff language highlighted in blue is the NYISO's latest revisions contained within *Incremental Redlines from Previously Posted Attachment HH Provisions* posted with the IITF meeting materials on Feb. 16. The language in green are the proposed revisions by ACE NY. We have also included a table which would be included in the NYISO's manual/procedures.

COD Extension Tariff Proposal

40.6.3.4 Extensions of the proposed Commercial Operation Date will not be Material Modifications if ~~the proposed Commercial Operation Date is within four (4) years from the following date~~ if the project achieves its COD within the later of: (i) 4 years from completion of its respective Class Year Study or Cluster Study, as applicable; or (ii) if the project is qualified under, and has been awarded a contract issued by a governmental entity in connection with, satisfying the State public policy goals as, e.g., specified in the New York State Climate Leadership and Community Protection Act, Chapter 106 of the Laws of 2019, as may be amended ("CLCPA"), the final commercial operation date as established by the terms of its contract; provided, however, if (ii) is triggered and the associated time frame exceeds the time frame set forth in (i), Section 40.6.3.5.3 shall also be applied:



40.6.3.5.1 An Interconnection Customer ~~must satisfy~~ shall be permitted to extend its Commercial Operation Date when it meets the requirements set forth in either Section [40.6.3.5.1.1] or [40.6.3.5.1.2] ~~for an extension of its Commercial Operation Date:~~

40.6.3.5.1.1 An Interconnection Customer ~~may request that the~~ shall have the Commercial Operation Date for its Facility ~~be extended beyond the period set forth in Section [40.6.3.4] by demonstrating (via an Officer certification) with, as warranted, supporting documentation) that:~~ (i) its Facility cannot meet the timeframe in Section [40.6.3.4] due to either (a) its technology type, or ~~due to either~~ (b) the sequencing of work on, or the then existing configuration of, the transmission or distribution system that is beyond its control (e.g., unavailability of required system outages, delays in completion of new infrastructure or system upgrades needed for project operation) and (ii) ~~that is still progressing to the extent possible~~ it continues to advance its development work to bring its project to Commercial Operation in a reasonably practicable manner.

~~40.6.3.5.1.2~~ 40.6.3.5.1.2 An Interconnection Customer ~~must demonstrate~~ ~~may request that~~ shall have the Commercial Operation Date for its Facility ~~be extended beyond the period set forth in Section [40.6.3.4] by demonstrating (via an Officer certification with, as warranted, supporting documentation) that it has made reasonable progress in the development of its project against critical milestones set forth in the Interconnection Agreement or Section [40.6.3.5.2](e.g., completion of engineering design, major equipment orders, commencement and continuation of construction of the Facility and associated Attachment Facilities, Distribution Upgrades, or System Upgrade Facilities, as applicable).~~ reflecting material project advancement including, but not limited to, matters involving engineering design, major equipment purchases, contract execution supporting development of the project or project financing in accordance with, and as further delineated in, ISO Procedures).

~~40.6.3.5.1.3~~ Upon the ISO's request, an Interconnection Customer shall promptly provide the ISO with information concerning the satisfaction of the milestones provided to demonstrate reasonable progress.

~~40.6.3.5.1.4~~ An Interconnection Customer that has extended its Commercial Operation Date must demonstrate satisfaction of additional milestones for any subsequent requested extensions.

40.6.3.5.2 Upon satisfaction of the requirements set forth in Section 40.6.3.5.1, the ISO, Interconnection Customer ~~must also provide the ISO with~~ and the Connecting Transmission Owner shall establish a milestone schedule for the interconnection of the Project ~~that it has agreed upon with the Connecting Transmission Owner that meets the requested extended Commercial Operation Date;~~ ~~The Connecting Transmission Owner's~~ no party's agreement to the revised milestone schedule shall ~~cannot be~~ unreasonably withheld. Once established, an Interconnection Customer that has obtained an extension to its Commercial Operation Date must demonstrate satisfaction of such milestones to the ISO.

40.6.3.5.3 The ISO, in consultation with the Connecting Transmission Owner or Affected Transmission Owner, has determined that: (i) a Cost Estimate Update is not required to update the cost estimates of the Connecting Transmission Owner's Attachment Facilities,



Distribution Upgrades, or System Upgrade Facilities identified in the Small Generator facilities study, Class Year Study, or Cluster Study for the Facility, or (ii) if the ISO, in consultation with the Connecting Transmission Owner or Affected Transmission Owner, determines that a Cost Estimate Update is required, the Interconnection Customer agrees in writing that the Cost Estimate Update shall be performed, that it will be responsible for the costs of such evaluation, and that its extended Commercial Operation Date shall be subject to its acceptance of, and its posting of any additional Security, of any increase, if any, in the cost estimate as described determined in accordance with in Section [40.6.3.5.3.3] together with the posting of additional Security, if required.

40.6.3.5.3.1 To determine whether a Cost Estimate Update is required and when such study will to be performed, the ISO, in consultation with the Connecting Transmission Owner and/or any Affected Transmission Owner(s), will consider the requested length of the extension, the duration in time since the cost estimates were determined in a Small Generator facilities study, Class Year Study, or Cluster Study, any the updated milestone schedule for the Project agreed upon by the Interconnection Customer, and Connecting Transmission Owner and the ISO and whether the interconnection facilities are shared with other projects. If the ISO determines that a Cost Estimate Update is required, the ISO will provide the Interconnection Customer with its basis for requiring such update. The need and timeframe for the update will be included in the interconnection agreement or an amended version of the interconnection agreement for the project, unless the Cost Estimate Update will be performed prior to the execution, or the unexecuted filing, of the interconnection agreement.

40.6.3.5.3.2 If the ISO determines a Cost Estimate Update is required, it shall be conducted and the updated estimate for the CTOAFs, SUFs, and/or SDUs, as applicable, shall be determined and issued in the same manner as the initially determined and issued under Section 40.15.1 hereto. The Connecting Transmission Owner or Affected Transmission Owner will perform, at Interconnection Customer's expense, any Cost Estimate Update agreed upon with the Interconnection Customer to update the cost estimates of the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, or System Upgrade Facilities identified in the Small Generator facilities study, Class Year Study, or Cluster Study for the Facility.

40.6.3.5.3.3 If the Cost Estimate Update identifies the need for a revised cost estimates with respect to the CTOAFs, the SUFs and/or SDUs for the project, as applicable, the Interconnection Customer will only be permitted to proceed with its requested Commercial Operation Date extension if it accepts within ten (10) Business Days of the conclusion of the Cost Estimate Update re-study its cost allocation for, and provides cash or posts Security to, the Connecting Transmission Owner for, the revised cost estimate. In such a case, the updated cost estimates will be included in the interconnection agreement to be executed for the project or in amendment thereto, as applicable. If the project has an effective interconnection agreement, the parties will amend the agreement to include this information. Any revised updated cost estimate and Security provided in accordance with this section shall be subject to the Security forfeiture requirements in Section [40.16.1] and the requirements for future cost responsibility set forth in, and as expressly limited by, Section [40.16.3].

NYISO Manual/Procedures

ACE NY supports the concept of keeping the tariff language broad (as stated above) and referring to the NYISO Manual/Procedures which would include a table with two columns. We provide an illustrative approach below and are open to ongoing discussion of categories. However, given the degree to which public policy initiatives have and are expected to continue to evolve - and, with them, the associated effects on the system, we strongly urge the NYISO to provide the details in the Manual so that we may be in the best position in the future to flexibly make modifications, as needed:

<p>Inclusion Category A Project shall be granted a Commercial Operation Date (COD) extension if project has met two or more of the following:</p>	<p>Inclusion Category B If a project has not met two or more of the requirements of Category A, NYISO will consider some combination of the following for demonstrating reasonable progress to determine, in its discretion, whether to grant a COD extension:</p>
<ul style="list-style-type: none"> a. Permitting- Obtained a final permit (Federal, State, or Local) allowing the project to commence construction. b. Offtake Contracts- awarded a NYSERDA Renewable Energy Certificate (REC) contract. c. Financial Commitments- Cumulative expenditures greater than \$1 million in the prior year on project-specific development costs or procurement of long-lead items such as transformers, breakers, cable, or other equipment. d. Engineering- work is progressing under an executed Engineering & Procurement (E&P) agreement as defined by Section 40.20 e. Milestones- Interconnection Customer has demonstrated material progress towards achieving its milestones under the LGIA or the milestone schedule with the Connecting Transmission Owner. 	<ul style="list-style-type: none"> a. Permitting- demonstrated material activity towards obtaining a final permit (Federal, State, or Local) including completeness determinations, draft or final permit issuance, compliance filings, issuance of limited notice to proceed (LNTP) or final notice to proceed (FNTP), water quality certificates, tribal environmental permits, and FAA Determination. b. Offtake Contracts- Interconnection Customer has obtained one or more of the following: has been awarded a NYSERDA REC contract, binding private party offtake agreement, binding hedge agreement, or other binding purchase contract. c. Financial Commitments (TBD) d. Engineering- engineering work to advance project design by conducting pre-FEED (Front End Engineering Design) or FEED studies. e. Legislative- Passage of any project-specific legislation by the state legislature, such as that required to site facility components on state land, execution of any county-level agreements such as PILOT, Host Community, or Road Use Agreements.



The suggested tariff revisions to OATT Attachment HH and the table above were completed through a member engagement process at ACE NY. It included several meetings which were open to a wide group of members. Outside of these meetings, additional time was provided to allow members to review the proposed tariff changes and provide comments and feedback. ACE NY and its members look forward to continuing the discussions on COD extensions and other interconnection queue reform topics. We applaud the NYISO staff for the massive efforts put forth to improve the interconnection process under its compliance filing to FERC Order No. 2023.

Sincerely,

Reid Wagner

Alliance for Clean Energy New York
Clean Energy Markets Analyst