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

Alliance for Clean Energy New York (“ACE NY”) appreciates the effort and time New York Independent System Operator (“NYISO”) is taking to revamp its interconnection process. ACE NY understands this is a monumental work effort that NYISO is undertaking, and ACE NY thanks NYISO for embracing this important initiative. ACE NY appreciates the opportunity to provide feedback to NYISO’s Interconnection Issues Task Force (IITF) as it prepares to file compliance with FERC Order 2023. Our members are very interested and invested in the success of NYISO’s interconnection process. We will be providing feedback and comments on additional topics in future letters. In response to presentations made on September 6th, at the TPAS meeting, and on October 2nd, at the first IITF meeting, we have prepared the following comments for consideration.

ACE NY has reviewed the NYISO’s 10/2 IITF presentation and the members strongly oppose NYISO’s first item on the timeline: “*File Partial Compliance/waiver to phase out the current SRIS process*” on November 1, 2023 (17 days from this letter). Before ACE NY can support any partial filing, sufficiently more details about the requirements for “transitioning” must be provided, reviewed, and deliberated with stakeholders. NYISO has not clearly communicated why this waiver is necessary or how it will lead to better results and efficiencies than the transitional process and timelines outlined in the FERC Order.

Transition Process

NYISO provided its first concept for transition to its new process in the 10/2 IITF meeting. NYISO’s proposal indicates dissolution of the SRIS requirement, whereby all SRIS reports for projects not currently participating in Class Year 2023 become information-only. Projects that have made progress under current queue procedures are afforded no priority in the transition as the Transitional Cluster Application Window is extended and open to all projects that can satisfy NYISO’s yet-to-be-determined entry criteria. The study schedule is then aligned to the completion of Class Year 2023 with

studies expected to start in December 2024 and expected to conclude in March 2026. NYISO's proposal elects to not follow the FERC prescribed 360-day transition study claiming a time savings of going directly into its new study procedures.

ACE NY is concerned with this proposal on several fronts. The removal of queue priority for currently queued projects is punitive by disregarding the time and funds spent to-date on getting projects through the current process. The FERC order outlines specific interconnection milestones, site control, and financial deposit eligibility requirements to clarify which projects should proceed either through individual facilities studies in a defined transition serial process or in a combined transition cluster study. Such requirements are designed to constrain eligibility for transition cycles only to those projects meeting higher readiness requirements than what is contemplated for new cluster processes. ACE NY recommends that NYISO's transition process include a mechanism that acknowledges current queue progress for those projects that have an approved SRIS scope and/or completed SRIS report. This mechanism should also consider enabling currently non-queued projects to be studied in a timely manner and avoid a potentially years-long pause of the queue.

ACE NY encourages NYISO to consider the volume of projects that may seek to participate in the Transitional Cluster study as proposed. Before considering new entries that are not currently in NYISO's queue, there are 271 projects that have made the deposits and data provisions necessary to enter the SRIS phase. By status as of 10/9/2023, 9 projects are Facilities Study Pending; 45 projects SRIS Approved, 42 projects SRIS in Progress, and 175 projects SRIS Pending. Without a mechanism to address these requests in consideration of their current queue status, NYISO may expect a similar volume to enter its proposed Transitional Cluster study plus any new projects determined to meet the undefined criteria.

Additionally, ACE NY is concerned by the timing of this transition as it is not in the spirit of the FERC Order to provide transition and move quickly to its new process. If NYISO's proposal is intended to skip the FERC prescribed transition study, all aspects of the transitional cluster cycle must be consistent with new procedure standards including any financial requirements for entry. NYISO must provide justification for extending the Application Window and Customer Engagement Window; without sufficient justification, these should be condensed at least to their standard lengths of 45 days and 60 days, respectively. If NYISO intends to impose different standards on this transitional cluster, it must be acknowledged that this is a transition study and therefore must follow the direction set by the FERC Order for a 360-day condensed study.

ACE NY seeks clarification to confirm that Class Year 2023 will not be impacted by the queue reform or related transition process. Class Year 2023 projects that accept cost allocation shall proceed to LGIA negotiations as is standard under current procedures; Class Year 2023 projects that reject cost allocation shall have the opportunity to enter the transition process for the new procedures.

Proposed structure - 2-Phase Study Process

ACE NY supports the general structure of NYISO's 2-phase study process. NYISO's 10/2 IITF presentation states a total process timeline of 569 days; however, this sum does not include an indicative duration of the Iterative Decision Period at the end of the process. It should be noted that the process as laid out in FERC Order 2023 contemplates a maximum of 585 days. NYISO must define the duration of the Iterative Decision Period and demonstrate how this period aligns to the FERC Order timelines. ACE NY proposes that the Iterative Decision Period should follow current protocol for Class Year Decision Periods, i.e., a 30-Day initial decision period following the finalization of results with subsequent 21-day rounds for re-study/revised decisions based on non-acceptance events.

NYISO must provide detailed justification of the time needed to perform necessary analyses if they seek to extend the process timelines set by the FERC Order.

Pre-Application Process/Information Available Pre-Queue

ACE NY supports the rolling pre-application concept proposed by NYISO outside of the formal interconnection study process. NYISO is encouraged to present additional information on the pre-applications at future IITF meetings including the cost, time to deliver results, and analyses covered. NYISO must define the cost, timeline, and deliverables associated with these pre-applications. ACE NY recommends that the pre-applications include an individual infeasibility screening to preview Transmission Owner system knowledge applied in the Customer Engagement Window.

In addition to the pre-application through NYISO, ACE NY encourages NYISO and its member Transmission Owners to make available system information to inform prospective interconnection requests. Upon request, Transmission Owners shall provide developers with substation single-line diagrams, equipment ratings, and station layouts. NYISO shall maintain capacity maps in the vein of the heat maps outlined in FERC Order 2023. NYISO shall announce when latest base cases are available for use, including transmission planning loading cases used for studying energy storage resources, and regularly publish updates to Transmission Owner system information. NYISO shall publish a list of its approved consultants that developers may hire to perform pre-queue analysis.

Application Window

ACE NY supports NYISO's adoption of FERC Order 2023's guidance for an Application Window. Per the FERC Order, the Application Window shall be open for 45 days to start each study cycle. Applications are expected to be comprised of:

- **Data Requirements:** A standard project data form including a one-line diagram showing breaker-level details within the proposed facility and "workable" models to plug into the system base cases for study.
- **Financial Requirements:** ACE NY reserves comments until NYISO provides further detail.
- **Site Control Requirements:** A minimum of 90% site control for the location of the generating facility. FERC Order 2023 has removed the option to post an additional deposit in lieu of site control, except for projects with demonstrated

regulatory limitations. ACE NY supports a requirement of 100% site control for the location of the generating facility aligned to the current requirement for SRIS study. Site control must be complemented by a preliminary site plan showing a buildable project layout within the controlled acreage. This recommendation does not preclude consideration of additional forms of site control that would improve the efficiency of interconnection processes.

ACE NY recommends that NYISO allow developers the option to provide one primary POI and one alternative electrically proximate POI in its application. Should the primary POI be identified as infeasible in the Customer Engagement Window, the alternative electrically proximate POI would be available to the project if deemed feasible. Selecting an alternate POI at queue entry could reduce time spent identifying an alternate POI following the infeasibility screen while still allowing the project an opportunity to proceed through the study process.

Deficiency in Application

NYISO is encouraged to adopt FERC Order 2023's guidance for deficiency cure. NYISO shall review an application within 5 business days of receipt. If NYISO deems a request deficient, the developer shall have the shorter of 10 business days or the close of the Application Window to submit curing information. If the deficiency is unable to be cured within this period, the request shall be deemed withdrawn with no penalty imposed.

Customer Engagement Window

ACE NY supports NYISO's compliance approach to include a physical infeasibility screening in the Customer Engagement Window. The FERC Order establishes this as a 60-day window wherein NYISO shall publish the cluster member list within 10 business days and hold a cluster scoping meeting inclusive of all developers and transmission owners relevant to the studies. The FERC Order indicates this as the last opportunity for developers to make the decision to withdraw without a penalty imposed. NYISO has described the additional physical infeasibility screening as leveraging Transmission Owner knowledge of their system to make a high-level determination of feasibility. ACE NY believes addressing physical infeasibility issues at this stage is critical to confirm project viability in the region prior to commencing studies. This enhancement ensures that the first study phase reserves its resources for viable projects and remains consistent with the current ability to adjust the POI based on information from the scoping meeting.

ACE NY requests additional details of how NYISO will approach the screening and ensure timely participation of the Transmission Owners. If a project has its POI deemed infeasible by NYISO/transmission owner, NYISO/transmission owner shall propose an alternate feasible POI to the developer acknowledging the direction of approach or potential physical access challenges. The developer shall either confirm the feasible POI and proceed forward, or it may reject the POI and withdraw without penalty. Alternatively, a project that provided an alternate POI in the application which is deemed feasible by this screening will be allowed to move forward with the alternate POI when

the primary POI is deemed infeasible. This enhancement remains consistent with the current ability to adjust the POI based on information from the scoping meeting. Additionally, NYISO is encouraged to clarify if the feasibility determination in this screening is limited to the immediate POI or extends to consider the local SUFs that may be needed for interconnection.

To ensure timely participation, ACE NY recommends that the NYISO tariff set definitive requirements for Transmission Owner participation in the cluster scoping meeting and infeasibility screening and sign off on cluster agreements within the Customer Engagement Window.

Phase 1 Study

ACE NY generally supports the Phase 1 study stage included in NYISO's compliance approach. NYISO has likened the Phase 1 Study to the Class Year Part 1 Studies performed under current procedures. As such, NYISO has indicated that binding cost estimates for Local SUFs are the primary results from this study stage. The 10/2 IITF presentation also indicates that NYISO will have the models built to perform short circuit analysis in this phase. Further detail is needed from NYISO to confirm the analysis performed at this stage with the noted outcome being identification of Local SUFs.

ACE NY supports the Phase 1 study as identifying binding costs required for direct connection under the Minimum Interconnection Standard but recommends NYISO include additional analysis to inform the expectations of SDUs assigned. ACE NY recommends that NYISO include Steady-State Deliverability Assessment/SDU Need Identification in Phase 1, ideally including high-level cost estimates for the needed SDU(s) with a margin of +/- 25%. This analysis is a valuable indicator of potential costs to projects and is needed to inform project decisions to move forward to the next phase. As NYISO's proposed approach contemplates addressing only one cluster at a time, ACE NY believes it is reasonable to pull this analysis forward without creating significant re-work. ACE NY also recommends that Affected Systems are identified in Phase 1 to allow Affected Study work to occur in parallel with Phase 2 and have results in-hand prior to issuance of an interconnection agreement.

Decision Periods (Customer Engagement Window and Phase 1 Study)

ACE NY supports the inclusion of a decision period at the completion of the Customer Engagement Window and Phase 1 Study stages; however, the 7-day decision periods currently proposed by NYISO are insufficient. NYISO must define the period between the initial provision of results and the start of a decision period to ensure developers have sufficient time to review the results. ACE NY proposes a 30-day period from NYISO initial provision of results to the initiation of the 7-day decision period proposed to enable coordination of any requirements needed to proceed, such as readiness deposits.

In addition to the decision to move forward, ACE NY also recommends that the decision periods act as a natural point to consider project modifications such as downsizes or updates to technology. NYISO shall outline terms of what may be deemed non-material

in these periods in consideration of potential impacts to Phase 1 results/extent of re-work needed in the following phase.

Phase 2 Study

ACE NY generally supports the Phase 2 study stage included in NYISO's compliance approach. In its 10/2 IITF presentation, NYISO likened this phase to the Class Year Part 2 studies performed under current procedures. Further detail is needed from NYISO to confirm the analysis performed at this stage with the description currently limited to Cluster SRIS + SUF/SDU + Deliverability. ACE NY supports NYISO's indication from the 10/2 IITF meeting that re-studies based on Phase 1 project withdrawals are inherently addressed by Phase 2 analysis, citing greater efficiency compared to a dedicated mid-stage re-study.

As noted above, NYISO must define the duration of the Iterative Decision Period at the conclusion of Phase 2 and demonstrate how this period aligns to the FERC Order timelines. ACE NY proposes that the Iterative Decision Period should follow current protocol for Class Year Decision Periods, i.e., a 30-Day initial decision period following the finalization of results with subsequent 21-day rounds for re-study/revised decisions based on non-acceptance events.

Sequencing of Cluster Studies

In NYISO's 10/2 IITF presentation, the sequencing of study cycles was identified as having minimal overlap wherein the application window start is aligned to the last month of the ongoing Phase 2 study. This creates a slight offset where the Application Window closes 15 days after the Phase 2 study results are completed and the Customer Engagement Window closes with the same apparent offset to the Phase 2 decision period. NYISO claimed in the 10/2 meeting that this sequencing eliminated the need for significant re-work considered in previous concepts, which in turn enabled shorter in-cycle study timelines.

On the understanding that the Iterative Decision Period may reflect the current Class Year decision period, ACE NY expresses concern that the length of the Phase 2 decision period may depend on the number of iterations. In recent Class Years, the decision periods have gone through 3 iterations prior to completing. Additionally, the current overlap would prevent NYISO from updating pre-queue information such as the FERC prescribed heatmap with the results of the Phase 2 study and prevent applicants from evaluating this information prior to submission. ACE NY therefore recommends the application window closure to be tied to the end of the initial Phase 2 Decision Period.

Storage Operating Assumptions

Under FERC Order 2023, NYISO is required to model how energy storage resources (ESR) seek operation as identified in study agreements. NYISO notes that it will seek an independent entity variation on this issue to be aligned with NYISO market rules. NYISO in Request for Rehearing and Clarification, noted other drawbacks to complying with this item to which ACE NY has provided some feedback in Table 2. Any time NYISO studies firm capacity in its Generator Interconnection process and does not use

redispatch to hit the Minimum Interconnection Standard, NYISO should allow an ESR to be able to define its parameters.

Table 2. ACE NY Feedback to NYISO Comments on Storage Operating Assumptions

NYISO Comments	ACE NY Feedback
<p>There might be instances where charging a storage facility during peak hours may be beneficial</p>	<p>Edge cases as justification to study worst-case scenarios will drive unnecessary transmission investment, which increases the cost to ratepayers and further risks meeting the CLCPA goals</p>
	<p>Price signals will still dictate that charging will only take place when it's economical</p>
<p>Allowing interconnection customers to specify operating assumptions will add significant complexity to interconnection studies and increase the time required to complete the studies</p>	<p>NYISO is urged to explain to stakeholders the specific difficulty it faces in creating additional cases, as briefly raised during stakeholder processes</p>
	<p>Off-peak cases are common study scenarios in other utilities/ISOs; the same process should be used to create an on-peak case but with a different set of load and generator assumptions</p>
<p>Allowing interconnection customers to specify individualized operating assumptions would lead to variations of study assumptions and cases such that it would require NYISO to build out additional base cases for each individual scenario</p>	<p>Each project will not need its own custom tailored base case for a charging study, much the same as each project does not need its own tailored base case for an injection study</p>
	<p>Many developers will request similar operating parameters, so NYISO in those scenarios would still be able to study them jointly under a single base case.</p>

ACE NY proposes that NYISO should require the Interconnection Customer and Transmission Provider to mutually agree in the Customer Engagement Window to:

- a. Which transmission planning loading cases are applied to the storage
- b. What power level (% output/% charging) is applied to each case

Further, in study results, the Transmission Providers should identify which loading case triggered identified upgrades.

Time to COD

NYISO should extend the time to COD from 4 to 7 years relative to completion of studies. Projects would still be expected to make necessary security postings at completion of Phase 2 and pay invoices to fund upgrade scopes. To deter speculative projects, ACE NY proposes a high-cost security deposit for further extension for projects that have ordered major components. For projects that reach COD within 10 years, security is fully refunded, and for projects that do not, security is forfeited and used to defray cost of the next study cycle.

Pro Forma Construction Agreements

ACE NY recommends that NYISO standardize a pro forma agreement for Engineering, Procurement, and Construction (EPC) contracts. Having a standardized agreement for these contracts will streamline the negotiation process and keep projects and their affiliated upgrades progressing.

Transparency

NYISO is encouraged to continue improving transparency efforts. The ability to submit inquiries in the Interconnection Projects Community Portal has been helpful, however ACE NY members have received incomplete responses to their inquiries. These responses are incomplete in the sense that a status is provided without an estimate of when forward movement is expected.

Material Modifications

ACE NY recommends NYISO retain the ability for developers to request evaluations of project modifications within the interconnection study process. NYISO shall determine what modifications may be inherently acceptable and at what points in the process developers are able to request evaluation. ACE NY recommends those points align to the decision periods at the end of the Customer Engagement Window and Phase 1 study.

Submission of Modeling Data

FERC Order 2023 requires submission of validated EMT data at time of application. This is not feasible for all inverter-based resources including offshore wind as the data is not available at this stage. ACE NY recommends that NYISO should request an independent entity variation that modeling data be provided prior to commercial operation. If NYISO does not request this variation, at minimum NYISO should allow for clarification in the self-attestation option provided by FERC as follows: *If an equipment or technology is unavailable/being designed at the time of interconnection application then the Interconnection Customer and/or vendor can self-attest that, to the best of their knowledge, the equipment response is expected to be consistent with the RMS and the EMT models provided at the time of interconnection study. When the equipment is built*

and tuned on-site, the as-built model of the plant and validated models for the equipment(s) will be provided to the Transmission Provider before the Commercial Operation Date

Sincerely,

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