



119 Washington Avenue, Suite 103
Albany, NY 12210
518.432.1405
info@aceny.org | www.aceny.org

Thinh Nguyen
Sr. Manager, Interconnection Projects
NYISO
Stakeholder_Services_IPsupport@nyiso.com

March 10, 2023

Dear Mr. Nguyen,

The Alliance for Clean Energy New York (ACE NY) sincerely thanks the NYISO Staff for commencing the interconnection queue reform effort that is being undertaken this year. This remains a primary topic of interest for ACE NY members and we truly appreciate the opportunity to provide input into this undertaking.

In this letter, we focus on three issues:

- **The key importance of adequate staff resources for the NYISO;**
- **Requests for specific timeline and regulatory milestone changes; and**
- **Request for additional stakeholder interactions in this critical process.**

As to the substance of the reform proposals that have been put forward so far, it is premature to provide lengthy comments at this time because many of the proposals are not yet fleshed out with important details. We look forward to more details emerging and crafting more detailed comments as appropriate.

- **The key importance of adequate staff resources for the NYISO**

ACE NY believes that perhaps the most important component of a successful interconnection process is the attainment and maintenance of sufficient staff resources, especially staffing of the NYISO's interconnection unit. Because even the best-designed process requires people to implement it, all else loses its importance if the NYISO finds itself in the position of having significant staffing deficiencies. The clear and dramatic increase in the number of projects in the interconnection queue – which seems to break records each year – requires a similarly dramatic increase in the number of staff at the NYISO working on the interconnection process.

Further, we all expect the increased number of projects – both transmission and renewables – to be the norm for the foreseeable future, based on the amount of clean generation required by New York's Climate Scoping Plan. Because this is the new reality, the NYISO needs to permanently increase the size of its interconnection unit.

During a September 19, 2022 meeting of the TPAS subcommittee, a chart was presented regarding the number of engineers in the interconnection unit and the number of studies in the queue. Based on that chart, each engineer has forty studies to track in the process. This, in part, explains the delays

in the process. Accordingly, we again urge the NYISO to increase the number of staff in the interconnection unit based on the number of projects in the queue and Class Year Study.

As we have mentioned in our August 23, 2022 letter to Richard Dewey, another option is to rely more heavily on consultants. We were gratified to see this item listed in the possible reforms to be considered, as presented to the TPAS on February 14, 2023. We look forward to that option becoming a reality. In our view, the existing tariff allows for the use of consultants in situations in which the NYISO's estimated time to complete a study exceeds the applicable tariff timeframe (Tariff Section 30.13.4).

Increased transparency during the SRIS process would be achievable, and could become a standard part of the process, were the NYISO to be less pressured by its resource concerns. ACE NY members have had difficulties in obtaining sufficient explanations for delays and in being provided documentation and other materials. The tariff (Section 30.7.4) provides the developer the right to get this information, but the staff resource pressures can hamper the successful and timely achievement of this impotent aspect of transparency.

- **Requests for specific timeline and regulatory milestone changes**

ACE NY member companies are intimately familiar with the interactions between the interconnection process and timeline in New York, the permitting process and timelines in New York, and the NYSERDA procurement requirements and timelines. Simply put, navigating this interrelated schedule has become increasingly complex and has become harder and harder over time. This dynamic influences companies' positions with respect to changes in the interconnection process.

Given this dynamic, ACE NY currently opposes the NYISO moving towards more stringent Regulatory Milestone requirements, unless those requirements are always accompanied by reasonable alternatives (*i.e.* several pathways to meeting the Regulatory Milestone), including an option in the form of security deposits. Further, ACE NY respectfully requests that the NYISO consider two changes:

1. To enter the Class Year, the current options include a complete permit application (from ORES or local government); or a NYSERDA contract; or a cash deposit, with a requirement associated with the ultimate satisfaction of the Regulatory Milestone (currently six months after the end of the Class Year Study) that a complete permit application is achieved. On behalf of our member companies, we would like to request that the requirement to have a complete permit application within six months after the end of the Class Year Study be changed to lengthen the six month timeline and be changed to having a complete permit application, or a NYSERDA contract. Moreover, a security deposit alternative should be an option available to project developers.
2. After executing an Interconnection Agreement, a project's Commercial Operation Date must be achieved within 4 years after the end of the Class Year Study. We would like to request that this requirement be lengthened and be accompanied by a security deposit alternative, to accommodate the lengthy permitting process, especially for offshore wind projects.

New York State, with its many lengthy regulatory and contractual processes (*i.e.*, ORES, NYSERDA, NYISO) that electricity resource developers must navigate, is complicated and unpredictable. This necessitates rules for all the processes, including the NYISO's interconnection process, that are

flexible enough to accommodate unexpected delays or changes caused by one of the other processes. At the same time, the NYISO (and FERC) has indicated that they do not want projects in the Class Year Study that are not “real” that can lengthen or complicate the Class Year unnecessarily, which is understandable. We point out that both of these requests (above) concern projects after completion of the Class Year Study and should therefore not engender this problem.

- **Request for additional stakeholder interactions in this critical process.**

Third, while we remain enthusiastic about the NYISO focus on interconnection process reform, we are concerned that the schedule for the project, combined with the notion of holding just one TPAS stakeholder meeting per month on it, and the lack of offline meetings, will fail to allow sufficient development of the reform proposals or an adequate understanding of them by stakeholders and the NYISO. A more intensive process, or one that extends for more time, is likely going to be needed to get this important work accomplished. Said another way, NYISO has thus far presented a list of ideas for consideration and stakeholders were invited to present additional ideas. At the March 1 meeting, these ideas were not discussed, and stakeholders were informed that there would be no March meetings on the project. There is scheduled to be one meeting (perhaps two) in April and an expectation that by May the reform ideas will be selected, and tariff language developed and vetted with stakeholders. On its face, this is not a schedule that will allow for meaningful stakeholder engagement, input, and feedback.

It appears this issue is also linked to staff constraints. That is, the current 2023 Interconnection Queue Reform project is itself being hampered by the NYISO’s position that there are to be no offline meetings about the proposed reforms between the NYISO and stakeholders, and that the reason for this is the lack of NYISO resources to enable such meetings (statement of Mr. Nguyen, in response to a stakeholder question – January 19, 2023 TPAS meeting). ACE NY believes that the process would likely be more successful if such meetings, and the enhanced communication they would foster, were part of the process. We would welcome facilitating and participating in such discussions on behalf of our members.

As an example, ACE NY is pleased that the NYISO has proposed to analyze and evaluate the use of a cluster/window approach for the SRIS phase of the process. While ACE NY member companies have not yet reached consensus on support for a cluster/window approach, we look forward to the results of the NYISO evaluation, given the potential for its use to significantly improve the process, to inform stakeholders’ positions on this topic. We are concerned, however, that the proposed schedule may not permit an adequate treatment of this approach.

Lastly, we reiterate our sincere appreciation that the NYISO has recognized that the interconnection process needs to be improved due to the unprecedented number of renewable energy projects in the queue. We look forward to working with you in this effort.

Sincerely,

Mark Reeder
Economic Consultant for ACE NY

