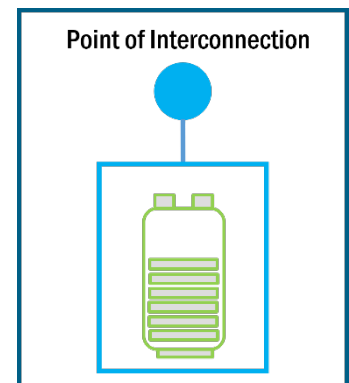


Energy Storage Resource (ESR) Interconnection

Interconnection of a new Energy Storage Resource (ESR) to the NY Transmission System or FERC-jurisdictional Distribution System

- A wholesale ESR can connect to the NY Transmission System or FERC-jurisdictional Distribution System through the NYISO's Interconnection process
- Series of studies and detailed analyses to determine:
 - Whether adding the new resource creates reliability issues on the system
 - System upgrades that may be required to maintain system reliability if a project impacts system reliability
 - Cost of the upgrades
- The steps in an ESR's Interconnection process are the same as for other Generators submitting an Interconnection Request with certain additional resource type-specific data required
- An ESR's ERIS and CRIS values will be determined through the Interconnection Process



ERIS

- ERIS is the basic Interconnection service allowing a Developer to interconnect their wholesale ESR to the NYCA Grid
- In accordance with NYISO Minimum Interconnection Standard
- Allows for Energy market participation to enable wholesale grid to receive electric energy from the resource
- All resources must obtain ERIS either through NYISO's Interconnection process or obtain an ERIS equivalent value through Transmission Owner's Interconnection process

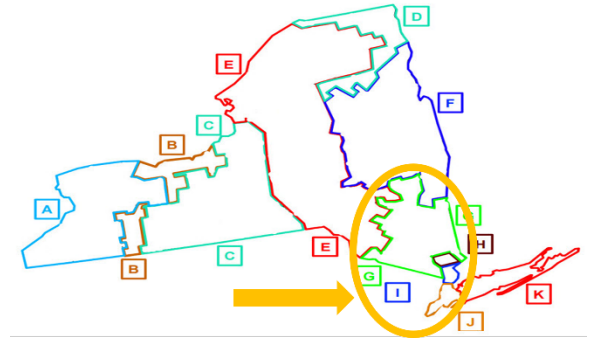
CRIS

- CRIS is one of the eligibility requirements allowing a Developer participate as an Installed Capacity Supplier
- Interconnection service allowing a Developer to interconnect their wholesale ESR to the NYCA Grid
- In accordance with NYISO Deliverability Interconnection Standard
- Allows for Installed Capacity Market participation to enable the resource to offer capacity as a supplier
- Resource larger than 2 MW must obtain CRIS through deliverability studies as part of the NYISO's Interconnection process
 - Resources smaller than 2 MW do not need to participate in a Deliverability Study to obtain CRIS

Energy Storage Resource (ESR) Buyer Side Mitigation

When does the Buyer Side Mitigation evaluation take place?

- The purpose of Buyer Side Mitigation: Prevent uneconomic entry from artificially suppressing Installed Capacity prices
 - Buyer Side Mitigation rules only apply for the Mitigated Capacity Zones (New York City and Zones G-J)
- BSM evaluation process occurs concurrently with the NYISO deliverability studies, where the CRIS request is evaluated



How are Energy Storage Resources evaluated for Buyer Side Mitigation?

- An Energy Storage Resource is considered an Excluded Facility as it is qualified to satisfy the goals specified in the New York State Climate Leadership and Community Protection Act (CLCPA)
- Therefore, ESRs will not be subject to review by the NYISO under BSM rules or otherwise be subject to an Offer floor