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April 23, 2008

**By Hand Delivery**

Honorable Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: Filing of Executed Standard Large Generator Interconnection Agreement  
Among the New York Independent System Operator, Inc., New York Power  
Authority, and Noble Clinton Windpark I, LLC, Request for Waiver of 60-  
Day Notice Period, and Request for Privileged Treatment, Docket No. ER08-  
\_\_\_\_\_-000**

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d (2000), and Section 35.12 of the Commission's regulations, 18 C.F.R. § 35.12 (2007), the New York Independent System Operator, Inc. ("NYISO") and the New York Power Authority ("NYPA") ("Joint Filing Parties") submit an executed Large Generator Interconnection Agreement ("Interconnection Agreement") among the NYISO as the Transmission Provider, NYPA as the Transmission Owner, and Noble Clinton Windpark I, LLC ("Noble Clinton") as the Developer. The Joint Filing Parties request an April 2, 2008 effective date for this filing, and further request that the Commission waive the normal 60-day notice period.

With the limited exceptions noted in Part I.C of this letter, the Interconnection Agreement conforms to the NYISO's *pro forma* Large Generator Interconnection Agreement ("LGIA") that is contained in Attachment X of the NYISO's Open Access Transmission Tariff. As explained in Part I.B, these limited revisions are necessary given NYPA's unique legal status as a power authority governed under New York's Power Authority Act<sup>1</sup> and other circumstances specific to this project.

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<sup>1</sup> N.Y. Public Authorities Law §§ 1000-1017.

## **I. Discussion**

### **A. Background**

The Interconnection Agreement governs the interconnection of Noble Clinton's planned 100.5 MW wind generating facility ("the Facility") to the New York State Transmission System. The Facility consists of two separately-queued projects, Clinton I and Clinton II, and consists of 67, 1.5 MW GE doubly fed induction generators. The Facility will, in its final configuration, connect to NYPA's 230 kV line MWP-2 via a ring bus at the Ryan Substation. In order to allow the Facility to connect and operate prior to the completion of the full ring bus, certain facilities are being installed as part of a Phase I configuration. During the Phase I configuration, the Facility will connect to the 230 kV line via a single tap of the MWP-2 transmission line. The tapped transmission line will be segmented and the ring bus configuration will be completed at the end of Phase II. A more detailed description of the layout and configuration of the Facility, including the Attachment Facilities and System Upgrade Facilities associated with each phase of the project, is set forth in Appendices A and C to the attached Interconnection Agreement. The milestone dates are set forth in Appendix B to the Interconnection Agreement.

The first queued project associated with the Facility, Clinton I, completed its Interconnection Facilities Study as a member of Class Year 2006. Many of the System Upgrade Facilities ("Common SUFs") identified in that study as necessary for the Facility were also required for four other wind projects in Class Year 2006.<sup>2</sup> As a result, the cost of those facilities is shared, pursuant to the provisions in Attachment S of the NYISO OATT, among all five projects requiring the System Upgrade Facilities.<sup>3</sup> The Common SUFs are described in detail in Appendix A.II. Clinton II is part of the Class Year 2007 Interconnection Facilities Study.

Developers of two of those five projects, Noble Clinton and Noble Ellenburg, elected under the Option to Build to construct a significant portion of the Common SUFs. The remaining portion of the construction activity will be completed by NYPA. The division of construction responsibilities between Noble Clinton and Noble Ellenburg and NYPA is described in Appendix A.III.

As discussed above, the Facility will ultimately connect to a new ring bus constructed at the Ryan Substation, and NYPA's MWP-2 line will be segmented and routed through that new ring bus. The new ring bus was classified as an Attachment Facility in the Class Year 2006

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<sup>2</sup> Under Attachment S, the NYISO performs Interconnection Facilities Study for a group of eligible projects to identify the System Upgrade Facilities required for each project that is included in a given "Class Year" cluster. Each project in a particular Class Year shares in the then currently available electrical capability of the transmission system and each shares in the cost of System Upgrade Facilities based on the *pro rata* impact of its project.

<sup>3</sup> These five projects are Ellenburg Windfield, Altona Windfield, Clinton Windfield, Marble River Wind Farm and Marble River Wind Farm II.

Interconnection Facilities Study. However, consistent with prior Commission orders,<sup>4</sup> the ring bus is classified as a System Upgrade Facility in the Interconnection Agreement.<sup>5</sup>

**B. Request for Commission Determination of the Appropriate Low Voltage Ride-Through Standard**

The Joint Filing Parties request that the Commission determine whether the Facility is eligible for the Transition Period Low Voltage Ride-Through Standard described in *pro forma* Appendix G, which contains technical requirements applicable to wind projects. Specifically, Appendix G includes two LVRT standards: a Transition Period LVRT Standard and a more stringent Post-transition Period LVRT standard. The Commission included a transition period standard in its Final Rule for the interconnection of wind energy projects “to allow wind turbines in the process of being manufactured [during the rulemaking] to be completed without delay or additional expense . . . [and to ensure] . . . that the supply of wind turbines is not unfairly or unreasonably interrupted.”<sup>6</sup>

The Transition Period LVRT Standard is available to jurisdictional wind generating plants that either have filed their interconnection agreements with the Commission by a certain date, now passed, or have “wind generating turbines subject to a wind turbine procurement contract executed *prior to December 31, 2005* for delivery through 2007.”<sup>7</sup>

Noble Clinton has taken the position that all of the Facility’s wind turbines satisfy this procurement contract milestone and are, therefore, eligible to meet the Transition Period LVRT Standard.<sup>8</sup> After extended discussions with Noble Clinton, and after a careful review of all the turbine procurement documentation supplied by Noble Clinton, the NYISO has been unable to determine whether the turbines for the Facility do, in fact, satisfy the procurement contract eligibility criterion for the Transition Period LVRT Standard. As a result of this uncertainty, the parties to the Interconnection Agreement agreed to include the following statement in Appendix C:

Whether or not the Large Generating Facility is eligible for the Transition Period LVRT Standard set forth in Appendix G will be determined by the Commission. The Large Generating Facility will comply with the Transition Period LVRT Standard pending

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<sup>4</sup> See, e.g., *Niagara Mohawk Power Corporation*, 121 FERC ¶ 61,104 (2007).

<sup>5</sup> NYPA and Noble Clinton have reached an agreement concerning security posted by Noble Clinton for this new ring bus.

<sup>6</sup> *Interconnection for Wind Energy*, Order No. 661-A at P. 70, FERC Stats. & Regs. ¶ 31,198 (2005).

<sup>7</sup> Interconnection Agreement at Appendix G, Section A.i. (emphasis added).

<sup>8</sup> Noble Clinton has indicated to the NYISO that all the turbines at issue were been installed at the plant site before the end of 2007.

issuance of an order by the Commission determining the appropriate LVRT standard.<sup>9</sup>

Accordingly, the Joint Filing Parties request a determination from the Commission, on both of the circumstances described below, in order to ensure that the LVRT standards in Appendix G are applied in a manner consistent with the Commission's intent.

According to Noble Clinton, all of the Facility's turbines are eligible for the Transition Period LVRT Standard because they are covered by a letter of intent dated August 9, 2005 ("Letter of Intent") (Attachment 3).<sup>10</sup> The Letter of Intent was followed by a Master Agreement dated February 15, 2006 (Attachment 4), which apparently covers the purchase and sale of the turbines covered in the Letter of Intent.

It is not clear whether the Letter of Intent is a wind turbine procurement contract as required by the *pro forma* Appendix G. The Letter of Intent contains many of the provisions that would typically be included in such a contract, including the quantity of turbines, the price, and initial payment obligations.

However, under the Letter of Intent, Noble's financial obligation is expressly conditioned upon "executing a mutually acceptable Master Agreement within sixty (60) days after the date of execution" of the Letter of Intent. This language might suggest that the Letter of Intent is an expression of mutual intent to negotiate a turbine procurement contract, rather than a turbine procurement contract itself. The status of the Letter of Intent is, of course, significant because the subsequent Master Agreement is dated February 15, 2006, *after* the December 31, 2005 deadline.

### C. Changes From the *Pro Forma* LGIA

#### 1. *Lands of Other Property Owners*

NYPA is a corporate municipal instrumentality and a political subdivision of the State of New York (the "State"), organized under the laws of the State, and operating pursuant to Title 1 of Article 5 of the New York Public Authorities Law ("PAL"). Under Section 1007 of the PAL, NYPA has the right to take real property through eminent domain when the NYPA trustees, in their discretion, deem an eminent domain taking necessary or convenient to acquire real property for the purposes described in such statute. The proposed changes to Article 5.13 of the Interconnection Agreement make it clear that NYPA can only use efforts to acquire property by eminent domain if and to the extent consistent with State law (*i.e.*, PAL Section 1007). NYPA must retain the right to have its Trustees review, on a case-by-case basis, each request for NYPA to exercise its power of eminent domain and to exercise their discretion to approve or deny such request, consistent with the requirements of New York State law.

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<sup>9</sup> Interconnection Agreement at Appendix C-1.

<sup>10</sup> The Letter of Intent was executed by Noble Clinton's parent, Noble Environmental Power, LLC ("Noble").

Accordingly, the Joint Filing Parties request that the Commission accept the proposed changes to Article 5.13.

## **2. Invoicing**

Article 12 of the standard LGIA establishes the process by which a Transmission Owner would invoice a Developer for services and equipment provided to the Developer by the Transmission Owner.

The Interconnection Agreement establishes a detailed invoicing and payment process that is necessary due to the specific circumstances of this project. The language in the standard LGIA did not address a situation, as exists here, where System Upgrade Facilities are required for several projects, some of which are sponsored by different Developers, or where some of the Developers are constructing the System Upgrade Facilities required by a larger group of projects.

Under Appendix H, NYPA will issue consolidated monthly invoices to all projects that trigger the Common SUFs. The NYPA invoices will include charges for (1) all of the applicable work performed by NYPA on behalf of the specific project, and (2) each project's respective share of work performed by Noble Ellenburg and Clinton to construct System Upgrade Facilities.<sup>11</sup> Each project's share of the costs related to Common SUFs will be based on the cost allocation percentages determined by the NYISO in the Class Year 2006 Facilities Study. Appendix H also contains a mechanism whereby Noble Ellenburg and Clinton are reimbursed for the costs they incur related to the Common SUFs that exceed their allocated share.

All of the impacted parties took an active role in the development of Appendix H, and the same invoicing provisions will be included in each of the impacted project's interconnection agreement. The invoicing process contained in Attachment H is beneficial because it allows all costs related to the construction of Attachment Facilities and System Upgrade Facilities to be invoiced by a single party. This allows costs to be properly allocated among the Developers.

The Joint Filing Parties, therefore, request that the Commission accept the changes to the LGIA reflected in Appendix H.

## **3. Trigger Dates For Common System Upgrade Facilities**

As described above, Noble Clinton and Ellenburg are constructing a portion of the Common SUFs that are required for a total of five projects from Class Year 2006. Construction of the Common SUFs must be complete before the projects of the non-constructing Developers can become operational. As a result, the parties have identified a series of construction activities to be completed by Noble Clinton and Ellenburg by specified Trigger Dates. Under certain circumstances, if Noble Clinton and Ellenburg are unable to meet a Trigger Date, NYPA and the

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<sup>11</sup> Noble Clinton and Ellenburg are required under Appendix H to provide monthly invoices to NYPA for all work those two parties perform related to System Upgrade Facilities.

NYISO may require Noble Clinton and Ellenburg to cease all existing efforts to construct or develop the Common SUFs and to transfer any such rights to Transmission Owner or Transmission Owner's designee.

The details concerning these provisions are contained in Appendix B.III. The Joint Filing Parties request that the Commission accept these provisions.

#### ***4. Numbering Error Correction***

The Joint Filing Parties also ask the Commission to accept their correction of a subsection numbering error in Article 5 of the LGIA. The affected pages, with redlining indicating the proposed correction, are included in Appendix II hereto.

### **II. Effective Date and Request for Waiver**

The Joint Filing Parties request that the Commission accept this Interconnection Agreement with a April 2, 2008 effective date, which is the date of execution. The Joint Filing Parties respectfully request that the Commission grant any necessary waivers, including waiver of the normal 60-day notice period, in order to permit the Commission to accept the Interconnection Agreement with the March 5 effective date.<sup>12</sup> The Commission has previously permitted interconnection agreements to become effective as of the date they are executed.<sup>13</sup>

### **III. Request for Privileged Treatment of Certain Attachments**

In accordance with 18 C.F.R. § 388.112 (2007), the Joint Filing Parties respectfully request privileged treatment for Attachments 3 and 4 hereto. These attachments contain cost items associated with Noble Clinton's purchase of wind turbines for the Facility. These items are commercially sensitive and, if disclosed, could place Noble Clinton at a disadvantage vis-à-vis its competitors. Accordingly, privileged treatment is warranted in this case. In accordance with 18 C.F.R. § 388.112 and the Secretary's filing instructions, the Joint Filing Parties are submitting the original of the privileged version in a separate, clearly marked, and sealed envelope.

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<sup>12</sup> See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, *reh'g denied*, 65 FERC ¶ 61,081 (1993).

<sup>13</sup> See, e.g., *New York Independent System Operator, Inc. and Niagara Mohawk Power Corp., Letter Order*, Docket No. ER08-427-000 (Feb. 28, 2008) (accepting interconnection agreement effective as of the execution date); *New York Independent System Operator, Inc. and New York State Electric & Gas Corp., Letter Order*, Docket Nos. ER07-1329-000, et al. (Jan. 3, 2008) (same).

**IV. Correspondence and Communications**

The following persons should be included in the official service list in this proceeding and all communications concerning this filing should be addressed to them:

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<sup>14</sup> The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) (2007) to permit service on counsel for the NYISO in both Washington, D.C. and Richmond, Virginia.

**V. Documents Submitted**

The Joint Filing Parties submit the following documents:

- A. This filing letter;
- B. Clean version of the Interconnection Agreement (“Attachment I”);
- C. Blacklined sheets showing the changes from the body of the NYISO’s *pro forma* LGIA (“Attachment II”);
- D. August 9, 2005 Letter of Intent (“Attachment III”); and
- E. February 15, 2006 Equipment Purchase Contract (“Attachment IV”).

**VI. Service**

The NYISO will send a paper copy of this filing to Noble Clinton. The NYISO will also electronically send a link to the public version of this filing to the official representative of each of its customers, to each participant on its stakeholder committees, to the New York Public Service Commission, and to the electric utility regulatory agencies of New Jersey and Pennsylvania. In addition, the complete public version of this filing will be posted on the NYISO’s website at [www.nyiso.com](http://www.nyiso.com). The NYISO will also make a paper copy available to any interested party that requests one. To the extent necessary, the NYISO requests waiver of the requirements of Section 35.2(d) of the Commission’s Regulations (18 C.F.R. § 35.2(d) (2007)) to permit it to provide service in this manner.



Honorable Kimberly D. Bose

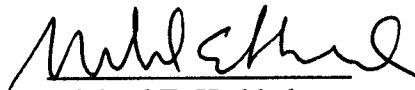
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**VII. Conclusion**

Wherefore, the New York Independent System Operator, Inc. and the New York Power Authority respectfully request that the Commission accept the Interconnection Agreement effective April 2, 2008.

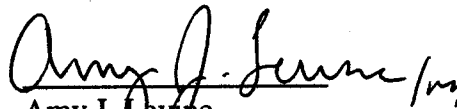
Respectfully submitted,



Michael E. Haddad

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