

**NYSRC Reliability Rules:** The reliability rules of the New York State Reliability Council.

**Overage Cost:** The dollar amount by which the total cost of System Upgrade Facilities identified in the Annual Transmission Reliability Assessment exceeds the total cost of System Upgrade Facilities considered in the Annual Transmission Baseline Assessment for the same Class Year.

**Overage Cost Percentage:** The ratio of the Overage Cost to the total cost of System Upgrade Facilities identified in the Annual Transmission Reliability Assessment.

**Project Cost Allocation:** The dollar figure estimate for a Developer's share of the cost of the System Upgrade Facilities required for the reliable interconnection of its project to the transmission system.

**Revised Project Cost Allocation:** The revised dollar figure cost estimate and related information provided by the NYISO to a Developer following receipt by the NYISO of a Non-Acceptance Notice, or upon the occurrence of a Security Posting Default by another member of the respective Class Year.

**Security:** Under the interconnection facilities cost allocation rules set out in Attachment S, a Developer must signify its willingness to pay the Connecting Transmission Owner for the Developer's share of the required System Upgrade Facilities by posting Security

facilities from service to install new interconnection facilities, as such cost is reflected in Locational Based Marginal Prices. Nor will existing generators be paid for any lost opportunity cost that may be incurred when their units are dispatched down or off in connection with the installation of new interconnection facilities.

- D. Any Transmission Owners implementation and construction of System Upgrade Facilities as identified in the Annual Transmission Baseline Assessment or Annual Transmission Reliability Assessment shall be in accordance with the NYISO Open Access Transmission Tariff, Commission-approved ISO Related Agreements, the Federal Power Act and Commission precedent, and therefore shall be subject to the Transmission Owner's right to recover, pursuant to appropriate financial arrangements contained in agreements or Commission-approved tariffs, all reasonably incurred costs, plus a reasonable return on investment.
- E. Attachment Facilities. Each Developer is responsible for 100% of the cost of the Attachment Facilities.
- F. System Upgrade Facilities. The cost of System Upgrade Facilities is first allocated between Developers and Transmission Owners, and then the Developers' share of the cost is allocated among Developers in accordance with the rules that are discussed below in this Section IV.F.

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- (h) Attachment S Each most recently completed Annual Transmission Baseline Assessment will be reviewed the following year by the NYISO staff and updated, as necessary, following the criteria and procedures described herein.
2. With the exception of those upgrades that were previously allocated to, and accepted by Developer projects as a part of the Annual Transmission Reliability Assessment in the Final Decision Round of previous Class Years, Developers are not responsible for the cost of any System Upgrade Facilities that are identified in the Annual Transmission Baseline Assessment, or any System Upgrade Facilities that resolve in whole or in part a deficiency in the system identified in the Annual Transmission Baseline Assessment.
  3. Developers are responsible for 100% of the cost of the System Upgrade Facilities, not already identified in the Annual Transmission Baseline Assessment that are needed as a result of their projects, and required for their projects to reliably interconnect to the transmission system in a manner that meets the NYISO Minimum Interconnection Standard. The System Upgrade Facilities necessary to accommodate Developer projects will be determined by the individual

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