

Interconnection Agreement Process for Class Year 2021 Developers

Sara B. Keegan, Assistant General Counsel, NYISO

Michael J. Messonnier, Hunton Andrews Kurth LLP

Interconnection Projects Facilities Study Working Group

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Overview of Agreements for Class Year 2021 Projects

Agreements for Class Year 2021 Projects

- **The completed Class Year 2021 includes 28 Queue Positions that encompass 25 facilities requiring interconnection agreements:**
 - 20 land-based Large Generating Facilities;
 - 2 offshore wind Large Generating Facilities (each with two Queue Positions);
 - 1 Class Year Transmission Project (with two Queue Positions);
 - 1 CY 2019 Large Generating Facility obtaining CRIS; and
 - 1 Small Generating Facility obtaining CRIS.
- **At the request of certain Developers, the NYISO tendered prior to the completion of the Class Year, and is currently negotiating or has completed, interconnection agreements for eight of these facilities.**

Agreements for Class Year 2021 Projects

- With the completion of Class Year 2021, the NYISO will tender the draft interconnection agreements for the remaining 17 facilities.
- In addition to these interconnection agreements, eight EPC Agreements are currently required for System Upgrade Facilities identified in Class Year 2021 for Affected Systems or for multiple Developers on a Connecting Transmission Owner's system.
- Additional EPC Agreements may be required for System Deliverability Upgrades (SDUs) depending on the results of the Additional SDU Study.

Large Generator Interconnection Agreement (LGIA) – Tendering and Timeframe

LGIA – Tendering and Timeframe

- **The NYISO will tender the draft LGIA for each project to the Developer and Connecting Transmission Owner (CTO). (Att. X § 30.11.1)**
 - When it tenders the draft LGIA, the NYISO will propose times for a call among the parties to discuss project-specific elements of the agreement and allocate responsibilities for the initial review of the LGIA.
- **The NYISO’s tender of the LGIA commences a six-month time limitation for the Developer to execute the LGIA, request that the LGIA be filed unexecuted, or initiate dispute resolution. (Att. X § 30.11.2)**
 - If such action is not taken within the six-month time period, Developer will be deemed to have withdrawn its Interconnection Request. (Att. X § 30.11.2)

LGIA – Tendering and Timeframe, cont.

- **This six-month time period can only be extended with the agreement of all of the parties. (Att. X § 30.11.2)**
 - The NYISO’s agreement to an extension is based on Developer’s demonstrating reasonable progress towards completing the agreement.
- **The Developer and CTO have the option of entering into an Engineering & Procurement agreement to begin engineering and the procurement of long lead-time items while the LGIA is being negotiated. (Att. X § 30.9) The Developer should discuss with the applicable CTO. This agreement will be superseded by the LGIA when it is executed.**

LGIA – Tendering and Timeframe, cont.

- A Developer that addressed the regulatory milestone requirement for its project to enter Class Year 2021 by providing a deposit or qualifying contract must satisfy its applicable regulatory milestone within this six-month timeframe or the Interconnection Request for its project will be deemed withdrawn. (Att. X § 30.11.1; Att. S §§ 25.6.2.3.2, 25.6.2.3.3)
 - The six-month timeframe for satisfying the regulatory milestone is not subject to extension.
- If an Interconnection Request is deemed withdrawn for Developer's failure to satisfy the regulatory milestone, Developer is not permitted to satisfy the milestone during the withdrawal cure period (although Developer may use the cure period to provide evidence that it has timely satisfied the regulatory milestone). (Att. X § 30.3.6)

LGIA – Development

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- **The LGIA is a pro forma agreement approved by FERC and included in Attachment X to the NYISO OATT.**
 - The pro forma LGIA is posted with the meeting materials for this meeting.
- **With limited exceptions, the parties will only modify the body of the LGIA to fill in information required for the placeholders established in the agreement, which are described in subsequent slides.**

LGIA – Development, cont.

- **FERC will only accept revisions to the pro forma provisions in the LGIA to address unique circumstances concerning the interconnection (*i.e.*, reliability concerns, novel legal issues, or other unique factors).**
 - These do not include modifications to address circumstances that would generally apply to any interconnection, to correct nits in the pro forma language, or to remove provisions that are not applicable to a particular interconnection.
 - Accordingly, the NYISO will not adopt such revisions proposed by the parties.
- **If there are non-conforming revisions to the LGIA, the NYISO and CTO will file the executed LGIA at FERC for its acceptance pursuant to Section 205 of the Federal Power Act.**
- **The NYISO will request that FERC waive its prior notice requirements to make the LGIA effective as of its date of execution.**

LGIA – Body of Agreement

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- **Developer and CTO will complete the following placeholders in the body of the LGIA:**
 - Cover page, preamble, and execution page – the parties must confirm their corporate names and information;
 - Article 2.2 – Developer and CTO must agree upon the term of the agreement if different from the ten-year placeholder term;
 - Article 4.1.1 – the NYISO will insert the interconnection service applicable to the project, which may include Energy Resource Interconnection Service and/or Capacity Resource Interconnection Service;
 - Article 5.2.12 – if Developer is responsible for any work for the CTO’s Attachment Facilities (CTOAFs) and/or Stand-Alone System Upgrade Facilities (SASUFs), CTO will insert the dollar amount associated with its costs for overseeing this work;
 - Article 5.11 – CTO must specify whether or not it will transfer operational control of the CTOAFs and SASUFs to the NYISO;
 - Article 13.4.2 – the NYISO will insert in this placeholder the interconnection service applicable to the project as described in Article 4.1.1; and
 - Article 18.3.11 – the Developer and CTO must agree upon the number of days after execution of the LGIA to provide certifications of insurance.

LGIA – Body of Agreement, cont.

- **If the New York Power Authority or Long Island Power Authority are the CTOs, certain additional non-conforming changes will be included in the body of the LGIA in connection with unique circumstances for these entities.**
- **Most of the CTOs do not currently have the capability to receive Phase Measurement Unit (PMU) data from Large Generating Facilities and transmit such data to the NYISO in the manner contemplated by Article 9.10 of the LGIA.**
 - In addition, the NYISO does not have the capability to receive such information directly from the generating facility.
 - Accordingly, for most Class Year 2021 interconnections for which the PMU rules would be applicable, the NYISO will reserve off this provision. This is a non-conforming change to the LGIA.

LGIA – Appendices

LGIA – Appendix A

- **Appendix A will include a description of the Attachment Facilities and Upgrades, which description must reflect the equipment identified in the project’s interconnection studies.**
 - If the Developer seeks to change such equipment, it must notify the NYISO of any proposed change for purposes of a materiality review.
- **The Developer and CTO must confirm which party will be responsible for constructing the CTOAFs and Upgrades, which responsibilities will be described in Appendix A.**

LGIA – Appendix A, cont.

- **Appendix A will also include a cost estimate table that reflects the cost estimate for the Attachment Facilities and Upgrades determined in the Class Year Interconnection Facilities Study.**
 - Any actual costs greater than this cost estimate amount will be allocated between the Developer and CTO in accordance with the requirements in Section 25.8.6 of Attachment S to the OATT.
- **The CTO will also provide the O&M requirements for Developer’s cost responsibility for operation and maintenance costs for any CTOAFs.**
- **The Developer or CTO will provide a legible, simplified one-line diagram that clearly shows the Large Generating Facility, Attachment Facilities, Upgrades, Point of Interconnection, and Point of Change of Ownership.**

LGIA – Appendix B

- **Appendix B will specify which construction option for the CTOAFs and Upgrades was elected pursuant to Article 5.1 of the LGIA (*e.g.*, Standard Option, Option to Build).**
- **In addition, Appendix B will include the milestones table for the work performed under the LGIA, including a description of the milestone, completion date for each milestone, and responsible party.**
 - In creating the milestones, the Developer and CTO should reflect the requirements established in the body of the LGIA and must include the Initial Synchronization Date, In-Service Date, and Commercial Operation Date of the project.
 - There is not a set number of milestones. However, the NYISO notes that it determines the materiality of any requested extensions of a project's Commercial Operation Date beyond the permitted four-year extension period based in part on Developer's reasonable progress in satisfying the milestones in the LGIA.

LGIA – Appendix B, cont.

- **Appendix B also include a description of the security associated with the interconnection.**
 - Developer has already provided security to the CTO for its Upgrades in the Class Year process.
 - Developer is separately responsible for providing security for any CTOAFs in accordance with the requirements in Article 11.5 of the LGIA.
- **Finally, if Developer and CTO agree, the parties may use an advanced payment approach for the work performed by the CTO under the LGIA.**
 - Such approach will be described in Appendix B and would require a non-conforming change in the invoice provision in the body of the LGIA.

LGIA – Appendix C

- **Appendix C includes a description of the Large Generating Facility, the Point of Interconnection, and the Point of Change of Ownership.**
 - If Developer seeks to change its Large Generating Facility (e.g., change turbine type), Developer must submit such modification to the NYISO for a materiality review.
- **Appendix C also includes a description of any additional operating requirements that the Large Generating Facility must satisfy.**
 - This includes that the Developer comply with all applicable NYISO Tariffs and ISO Procedures.
 - In addition, each CTOs has certain additional operating requirements that they will incorporate as part of the development of the agreement.
 - Finally, if the project is an energy storage resource, Appendix C will include the requirements for the operating range for the facility to provide primary frequency response.

LGIA – Remaining Appendices

- **Developer and CTO must provide their applicable contact information for the placeholders in Appendices E-1, E-2, and F.**
- **The NYISO encourages parties to use generic contact information and email addresses where possible in place of referencing specific people as the applicable people will changes over time.**

LGIA – Negotiation Process

LGIA – Negotiation Process

- **Developer should provide the NYISO with contacts for its legal counsel to ensure they are included in meeting invites and will coordinate with NYISO’s counsel.**
- **On the initial group call, the parties will determine whether Developer or CTO will review the draft first, followed by the other party.**
 - Typically, each party provides its first round of comments within two to three weeks.
- **Following receipt of both parties’ comments, the NYISO will review and will circulate a clean, updated version to the parties for a continuing iterative review of the agreement.**

LGIA – Negotiation Process, cont.

- **The NYISO may also coordinate with the parties following this initial turn of the document or after subsequent reviews to have another group call to discuss remaining open items if this would be more efficient.**
- **Once all of the open items have been addressed, the NYISO will circulate a final review version to the group for each organization’s executive-level review of the LGIA.**
- **When all parties have indicated they have no further comments and are prepared to execute, the NYISO will circulate an execution version of the LGIA to the group, along with instructions for execution.**

LGIA – Negotiation Process, cont.

- **Developer must keep the NYISO informed of any changes to the information included in its Interconnection Request by submitting such changes through the NYISO interconnection portal, including, but not limited to, changes to the project’s In-Service Date or Commercial Operation Date, name changes to the developer or the project, changes to the Large Generating Facility, etc.**
 - Developer should promptly inform the NYISO of any such changes.
 - Developer is required to provide the NYISO with notice of any proposed extensions of its project’s In-Service Date, Initial Synchronization Date, and Commercial Operation Date as soon as it becomes apparent to Developer that the In-Service Date included in the NYISO’s interconnection queue is infeasible. (Att. X § 30.4.4.5.4)
 - If Developer requests a modification review during the negotiation of the LGIA, the parties will continue to develop those portions of the LGIA not impacted by the modification.

LGIA – Negotiation Process, cont.

- If Developer has any pressing deadlines for the execution of the LGIA, it should inform the NYISO and CTO as soon as possible of such deadline.
- Developer should separately reach out, if it has not yet done so, to NYISO Customer Registration at customer_registration@nyiso.com to coordinate with the NYISO concerning the timeframe and requirements for registration as NYISO customer.
- Developer should also review the requirements for operating in testing mode prior to commercial operation of its facility set forth in NYISO Technical Bulletin 116.

Engineering, Procurement, and Construction Agreements (EPCs)

LGIA – EPCs

- Prior to drafting the EPC Agreement, the NYISO will coordinate, as applicable, with the Developer(s), Connecting Transmission Owner(s), and Affected System Operator(s) to confirm which party or parties will be performing the engineering, procurement, and construction work for the Upgrades.
- The NYISO will then develop the agreement and tender it to the parties.
- The EPC Agreement will largely mirror the pro forma LGIA with the operation and maintenance provisions removed and with the agreement set to terminate upon the completion of the work and settlement of final payments.

LGIA – EPCs, cont.

- **The NYISO will follow the same negotiation process for the EPC Agreement that is described above for the negotiation of the LGIA.**
- **As the EPC Agreement is a modified version of the pro forma LGIA, the NYISO will file the LGIA at FERC for its acceptance of the modifications.**
- **Accordingly, and consistent with its LGIA process, the NYISO will only accept changes to the pro forma language that are due to unique circumstances.**

NYISO IA and EPC Reform Process and Transition Rules

NYISO IA and EPC Reform Process and Transition Rules

- The NYISO is currently undertaking an initiative in its stakeholder process to reform its pro forma interconnection agreements and to create pro forma construction agreements for SUFs and SDUs on Affected Systems or for multiple Developers on the CTO's system.
- The NYISO currently anticipates that such revisions will first be applied for Class Year 2023 LGIAs and related EPC Agreements.
- However, developers should monitor the stakeholder process for these revisions to remain up to date concerning any schedule changes that could impact their projects.

Next Steps

Next Steps

- The NYISO is currently preparing the draft LGIAs for Class Year 2021 projects and will begin to tender them and coordinate kick off calls in the coming weeks.
- NYISO counsel will initiate and coordinate the IA process. Questions regarding IAs should be directed to the counsel who tenders the IA.
- Technical and other questions may be submitted to Stakeholder_Services_IPsupport@nyiso.com.

Our Mission & Vision



Mission

Ensure power system reliability and competitive markets for New York in a clean energy future



Vision

Working together with stakeholders to build the cleanest, most reliable electric system in the nation

Questions?