

IMPORTANT NOTICE – RESPONSE REQUIRED ON OR BEFORE JANUARY 3, 2017

December 2, 2016

TO: Class Year 2015 Projects

Queue Pos.	Project or Facility	Developer or Owner	Contact(s)
305	Champlain Hudson Power Express	Transmission Developers Inc.	Bill Helmer Suresh Dave George Pond, Esq.
363	Poseidon Transmission	Poseidon Transmission, LLC	Edward Krapels Clarke Bruno Howard Kosel
395	Copenhagen Wind	Copenhagen Wind Farm, LLC	Paul J. Saliterman
397	Jericho Rise Wind	EDP Renewables North America	Aron Branam Kevin Choi
401	Caithness Long Island II	Caithness Long Island II, LLC	Mitch Garber Gary Keevill
403	Bethlehem Energy Center Uprate	PSEG Power New York	Konstantin Borushko Howard Fromer
431	Greenidge Unit#4	Greenidge Generation	Dale Irwin George Pond, Esq.
N/A	Marble River Wind (CRIS only)	Marble River, LLC	Jeremy High
N/A	Stony Creek (increased CRIS request)	Stony Creek Energy, LLC	Carlos Rodriguez
N/A	Bowline 2 (increased CRIS request)	Bowline	Kelli Joseph
N/A	East River 1 Uprate (increased CRIS request)	Con Edison	Michael Brown Christina Ho Victor Mullin
N/A	East River 2 Uprate (increased CRIS request)	Con Edison	Michael Brown Christina Ho Victor Mullin
N/A	Linden Cogeneration Plant (increased CRIS request)	East Coast Power, LLC	Tom Fogarty
N/A	Astoria CC1 and CC2 (increased CRIS request)	Astoria Energy	Charles McCall
N/A	N/A (External CRIS Request)	HQ-US	Luc Bernier Scott Leuthauser

Re: Notice of Class Year 2015 Initial Project Cost Allocations for System Upgrade Facilities and System Deliverability Upgrades

Dear Class Year 2015 Projects:

On December 1, 2016, the NYISO Operating Committee approved the Class Year 2015 (CY15) Interconnection Facilities Studies Reports and the Project Cost Allocations for System Upgrade Facilities (“SUFs”) and System Deliverability Upgrades (“SDUs”) contained in the reports. The SUF Project Cost Allocations are identified in the report entitled, “Class Year 2015 Facilities Studies System Upgrade

Facilities (SUF)” (SUF Report), Operating Committee Meeting, December 1, 2016. The SDU Project Cost Allocations and Deliverability Study results are documented in the report entitled, “Class Year 2015 Facilities Studies System Deliverability Study” (DIS Report), Operating Committee Meeting, December 1, 2016. Both reports are available from the NYISO web site at www.nyiso.com, under Operating Committee – December 1, 2016 meeting materials.

The CY15 Initial Round Project Cost Allocations for SUFs, Headroom payment obligations for SUFs, Project Cost Allocation for SDUs, and Deliverable MW are provided in the above-referenced reports and summarized in the tables in Attachment A of this notice. These cost allocations and Deliverable MW were developed in accordance with the NYISO Open Access Transmission Tariff Attachment S, *Rules to Allocate Responsibility for the Cost of New Interconnection Facilities* (the “Rules”).

Now, in accordance with the Rules, each CY15 Developer is required to provide, on the first Business Day within 30 calendar days following the Operating Committee’s approval, notice to the NYISO, in writing and via electronic mail, indicating whether it shall accept its Project Cost Allocation (“Acceptance Notice”), or not accept its Project Cost Allocation (“Non-Acceptance Notice”) regarding SUFs. **Note that such notice is required for each project, even if the Project Cost Allocation is zero.**

Separately, each CY15 Developer also is required to notify the NYISO within the same 30 calendar-day period whether it shall accept or not accept its Project Cost Allocation for SDUs and Deliverable MW, as applicable.

Failure to notify the NYISO by the prescribed deadline as to whether a CY15 Developer accepts or rejects its Project Cost Allocation and Deliverable MWs, as applicable, will be deemed a Non-Acceptance Notice.

Therefore, I hereby request that each of you provide these required notices to me by no later than January 3, 2017, which is the end of Initial Decision Period. Please send your notices (via email) to:

Thinh Nguyen
tnguyen@nyiso.com

Note that the consequences of each notice are as follows:

- Non-acceptance of the Project Cost Allocation for SUFs will result in removal of that project from the CY15. Such non-acceptance of SUF costs would render a decision regarding SDU costs moot.
- Non-acceptance of the Project Cost Allocation for SDUs or Deliverable MW, as applicable, would not result in removal of the project the CY15, but would cause the project to be ineligible to receive the requested level of CRIS.
- A Developer that accepts an SUF and/or SDU Project Cost Allocation will not be provided with the option to accept or reject a Revised Project Cost Allocation following a Subsequent Decision Period unless the Revised Project Cost Allocation provides for (1) an increase in the SUF or the SDU Project Cost Allocation; or (2) a decrease in the Class Year Project’s Deliverable MWs.

Within two (2) business days following receipt of the CY15 Developers’ notices, the NYISO will inform all CY15 Developers, as to whether or not all CY15 Developers have elected to accept their respective Project Cost Allocations. If all CY15 Developers accept their cost allocations, all CY15 Developers will then have until no later than January 10, 2017 (five (5) Business Days from the end of the Initial Decision Period) to (1) pay cash or post Security to the applicable Transmission Owner(s) for SUFs and (2) to pay

cash or post Security for Headroom to the applicable prior Class Year Developer(s).

If any CY15 Developers reject or fail to accept a Project Cost Allocation (a “Non-Acceptance Event”), then the NYISO will prepare and issue an updated CY15 Facilities Study Report and updated cost allocations, as applicable, for the remaining Developers by no later than January 18, 2017 (within 14 calendar days from the end of the Initial Decision Period).

Please refer to Sections 25.8.2 through 25.8.4 of Attachment S for details regarding the Class Year decision and settlement process.

If you have any questions, please call me at (518) 356-6025, or send me an e-mail at the above address.

Sincerely,

Thinh Nguyen

Manager, Interconnection Projects

cc. Arnie Schuff, NYPA
Vitaly Spitsa, Con Edison
Kathryn Cox, National Grid
Stephen Cantore, PSEG-LI
Julie Mahoney, NYSEG/RG&E

Attachment A

Summary Tables of Class Year 2015 Initial Round
Cost Allocations, Headroom, and Deliverable MW

Table 1 – Project Cost Allocations for SUFs

From Project Name	To NYPA	To ConEd	To PSEG-LI	To NG-NM	To NYSEG	Total \$ SUF per project
Q305 CHPE	\$146,000,000	\$8,560,000	N/A	N/A	N/A	\$154,560,000
Q363 Poseidon	N/A	N/A	\$9,242,000	N/A	N/A	\$9,242,000
Q395 Copenhagen	N/A	N/A	N/A	\$8,551,300	N/A	\$8,551,300
Q397 Jericho Rise	\$2,990,790	N/A	N/A	N/A	N/A	\$2,990,790
Q401 Caithness II	N/A	N/A	\$18,421,072	N/A	N/A	\$18,421,072
Q403 Bethlehem	N/A	N/A	N/A	\$10,463,000	N/A	\$10,463,000
Q431 Greenidge	N/A	N/A	N/A	N/A	\$180,000	\$180,000
Total to Transmission Owner	\$148,990,790	\$8,560,000	\$27,663,072	\$19,014,300	\$180,000	\$204,408,162

Table 2 – Headroom Payments for SUFs

Headroom	From Q363 Poseidon	From Q401 Caithness II	From Q305 CHPE
Electrical Headroom SUF (to CY06 Caithness)	\$1,808	\$22,505	0
Functional Headroom SUF (to CY10 Astoria Energy II)	0	0	\$395,937
Total Headroom payments	\$1,808	\$22,505	\$395,937

Table 3 – Deliverable MW and Project Cost Allocations for SDUs

Projects Subject to Full Class Year Evaluation

QUEUE POS.	PROJECT NAME	Summer ERIS MW	Requested Summer CRIS MW	Deliverable MW	SDU Cost Allocation
305	Champlain Hudson Power Express	1000	1000	1000	0
363	Poseidon Transmission	500	500	500	\$6,100,784
395	Copenhagen Wind	79.9	79.9	79.9	0
397	Jericho Rise Wind	77.7	77.7	77.7	0
401	Caithness Long Island II	744	744	744	\$27,967,828
403	Bethlehem Energy Center Uprate	Uprate (72.0) Total (835.0)	78.1	835.0	0
431	Greenidge Unit#4	106.3	106.3	106.3	0
Total to Transmission Owner (PSEG-LI)					\$34,068,612

CRIS-Only Requests – Subject Only to Class Year Deliverability Study

OWNER / OPERATOR	FACILITY / UNIT	TYPE OF REQUEST	EXISTING SUMMER CRIS MW	REQUESTED SUMMER CRIS MW	Deliverable MW	SDU Cost Allocation
Marble River, LLC	Marble River Wind	CRIS for existing ERIS-only facility	0	215.2	215.2	0
Stony Creek Energy, LLC	Stony Creek	Increase in CRIS	88.5	5.9	94.4	0
Bowline	Bowline 2	Increase in CRIS	557.4	10	567.4	0
ConEd	East River 1 Uprate	Increase in CRIS	150.5	10	160.5	0
ConEd	East River 2 Uprate	Increase in CRIS	152.4	10	162.4	0
East Coast Power, LLC	Linden Cogeneration Plant	Increase in CRIS	755.3	35.5	790.8	0
Astoria Energy	CC1 and CC2	Increase in CRIS	557.4	27.8	585.5	0
HQ-US	N/A	External CRIS Rights	N/A	20	20	0