

**IMPORTANT NOTICE – PAYMENTS OR SECURITY POSTINGS REQUIRED ON OR BEFORE APRIL 29, 2021**

**April 22, 2021**

TO: Class Year 2019 Long Island Additional SDU Study Projects

Queue #	Project/Facility	Developer/Owner
535	Riverhead Expansion	sPower Development Company, LLC
612	South Fork Wind Farm	Deepwater Wind South Fork, LLC
695	South Fork Wind Farm II	Deepwater Wind, LLC
746	Peconic River Energy Storage	Energy Storage Resources, LLC

**Notice of Second Round Decision Period to Class Year 2019 Long Island Additional SDU Study Projects – Request to Post Security**

Dear Developers:

On April 13, 2021, a notice was sent informing you of the Non-Acceptance Events and the initiation of the Second Round of the Cost Allocations, and that, in accordance with the Attachment S of the NYISO OATT, NYISO staff would prepare and issue an updated study report titled “Second Round Addendum to Class Year 2019 Facilities Study LI Additional System Deliverability Upgrade (SDU) Report,” (“2<sup>nd</sup> Round CY19 LI Additional SDU Study Report”,) including Revised Project Cost Allocations for System Upgrade Facilities (SUFs), SDUs and Deliverable MWs, as applicable, to the remaining CY19 LI Additional SDU Project Developers.

The Second Round Project Cost Allocation for SUFs, Headroom payments for SUFs, Project Cost Allocations for SDUs, and Deliverable MWs are provided in the respective addendum report accompanying this notice, and summarized in Attachment A to this notice. As discussed in the 2<sup>nd</sup> Round CY19 LI Additional SDU Study Report, the NYISO has determined that the Non-Acceptance Notices from Q738 El Melville and Q746 Peconic River Energy Storage projects did not increase any Project Cost Allocations from the Initial Round for the remaining CY19 LI Additional SDU Projects.

Because the Project Cost Allocations for SUFs have decreased or remain unchanged, and SDUs and the Deliverable MWs of the remaining CY19 LI Additional SDU Projects remain unchanged in this Second Round from the Initial Round, the remaining CY19 LI Additional SDU Project Developers that accepted an SUF and/or SDU Project Cost Allocation in the Initial Decision Period will not be provided with the option to accept or reject a Project Cost Allocation in this Second Round.

Now, in accordance with Section 25.8.2.1 of Attachment S of the NYISO OATT, the CY19 LI Additional SDU Project Developers that accepted the Project Cost Allocations identified in Attachment A to this notice must satisfy the following requirements within five (5) business days from April 22, 2021 (*i.e.*, **on or before April 29, 2021**):

- Satisfy Headroom obligations identified in Table 1, if any, in accordance with Section 25.8.7.6 of Attachment S; and
- Pay cash or post Security in the full amount of their respective Project Cost Allocations for SUFs and SDUs, as applicable, to the PSEG-LIPA Transmission Owner.

“Security” is defined by the NYISO OATT as “a bond, irrevocable letter of credit, parent company guarantee or other form of security from an entity with an investment grade rating, executed for the benefit of the Connecting Transmission Owner and Affected Transmission Owner(s), meeting the requirements of Attachment S, and meeting the commercially reasonable requirements of the Connecting Transmission Owner and Affected Transmission Owner(s).”

**I request each of the Developers to notify me when it has made payment or posted Security for its respective Project Cost Allocations for SUFs and SDUs, as applicable, and for its Headroom obligations, as applicable, even if notice was provided in the Initial Round. By copy of this notice, I request PSEG-LIPA Transmission Owner to confirm to me that such payments/postings have been made and meet your respective requirements.**

In the event that any Security Posting Default occurs, NYISO will prepare and issue another revised report and cost allocation in accordance with the requirements of Attachment S.

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*

Sr. Manager, Interconnection Projects

cc: Iram Iqbal, PSEG-LIPA

## Attachment A - Summary Tables of Class Year 2019 Long Island Additional SDU Study 2nd Round Decision Period Cost Allocations, Headroom, and Deliverable MW

**Table 1: CY19 LI Additional SDU Study Total SUF Part 1 & 2 Cost Allocations Including Headroom**

CTO		Part 1 SUF Cost (\$)	Headroom Payment	Total SUF Cost (\$)
Queue	Project Name	PSEG-LI		
Q535 (36MW)	Riverhead Expansion (1)	N/A	-	N/A
Q612 (96 MW)	South Fork Wind Farm (1)	N/A	-	N/A
Q695 (40 MW)	South Fork Wind Farm II (1)	N/A	-	N/A
Q746 (150 MW)	Peconic River Energy Storage	\$ 8,891,380	-	\$ 8,891,380
Total		\$ 8,891,380	-	\$ 8,891,380

Notes

- (1) Q535, Q612 and Q695 accepted their Part 1 SUF cost allocation and posted Security in the regular CY19 settlement.

**Table 2: CY19 LI Additional SDU Study Total SUF and SDU Cost Allocations**

CTO		Total SUF Cost (\$)	PSEG-LI	Total SUF/SDU Cost (\$)
Queue	Project Name		LI SDU #1 (\$)	
Q535 (36MW)	Riverhead Expansion (1)	\$ -	-	\$ -
Q612 (96 MW)	South Fork Wind Farm (1)	\$ -	-	\$ -
Q695 (40 MW)	South Fork Wind Farm II (1)	\$ -	-	\$ -
Q746 (150 MW)	Peconic River Energy Storage (2)	\$ 8,891,380	N/A	\$ 8,891,380
Total		\$ 8,891,380	-	\$ 8,891,380

Notes

- (1) Q535, Q612 and Q695 accepted their Part 1 SUF cost allocation and posted Security in the regular CY19 settlement.
- (2) Q746 rejected its SDU cost allocation and deliverable MW in CY19 LI Additional SDU study.

**Table 3: CY19 LI Additional SDU Study Deliverable MW**

#	QUEUE	PROJECT	Requested Summer CRIS (MW)	Deliverable Summer CRIS (MW)	Calculate Winter CRIS (MW)
1	535	Riverhead Expansion	36	36	36
2	612	South Fork Wind Farm	96	96	96
3	695	South Fork Wind Farm II	40	40	40