

IMPORTANT NOTICE – RESPONSE REQUIRED ON OR BEFORE APRIL 12, 2021

March 11, 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
738	Empire Wind II	Equinor Wind US LLC
746	Peconic River Energy Storage	Energy Storage Resources, LLC

Notice of Initial Decision Period to Class Year 2019 Long Island Additional SDU Study Projects

Dear Developers:

This notice is served as the “Notice of Initial Decision Period for Class Year 2019 Long Island Additional SDU Study Projects.”

**Operating Committee Approval of Class Year 2019
Long Island Additional SDU Study Project Cost Allocations**

On March 11, 2021, the NYISO Operating Committee approved the report entitled “Class Year 2019 Facilities Study LI Additional System Deliverability Upgrade (SDU) Report” (“CY19 LI Study Report”).¹ The study report contains the proposed cost allocations of SUF and SDU for the Class Year 2019 Long Island Additional SDU Study Projects (“CY19 LI Projects”).

The Initial Round Project Cost Allocations for SUFs, Headroom payments for SUFs, Project Cost Allocation for SDUs, and Deliverable MW approved by the Operating Committee for the CY19 LI Projects are provided in the CY19 LI Study Report 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”).

¹ CY19 LI Study Report is available on the NYISO website at www.nyiso.com, under 2021 Operating Committee meeting materials.

Decisions Required from CY19 LI Projects

Each CY19 LI Project Developer is required to provide notice to the NYISO on or before **April 12, 2021** via electronic mail to InterconnectionSupport@nyiso.com, indicating the following:

- For its required SUFs, whether it accepts its SUF Project Cost Allocation (“Acceptance Notice”), or rejects its SUF Project Cost Allocation (“Non-Acceptance Notice”). **Note that such notice is required for each project, even if the Project Cost Allocation is zero.** The Acceptance Notice for projects not yet In-Service must also include a confirmed In-Service Date and Commercial Operation Date, subject to the limitations set forth in Section 30.4.4.5 of Attachment X.
- For deliverable MW and SDUs, whether it accepts or rejects its SDU Project Cost Allocation and Deliverable MW, as applicable.
- **Failure to notify the NYISO by the prescribed deadline as to whether a CY19 LI Project Developer accepts or rejects its Project Cost Allocations and Deliverable MWs, as applicable, will be deemed a Non-Acceptance Notice.**

Consequences of Project Cost Allocation decisions

- Non-acceptance of the Project Cost Allocation for SUFs will result in removal of that project from the CY19 LI Additional SDU Study.
- Non-acceptance of the Project Cost Allocation for SDUs or Deliverable MW, as applicable, would not result in removal of the project from the CY19 LI Additional SDU Study, 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 in 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 CY19 LI Project’s Deliverable MWs.

Security Posting Requirements

Within two (2) business days following receipt of the CY19 LI Project Developers’ notices, the NYISO will inform all CY19 LI Project Developers, as to whether or not all CY19 LI Project Developers have elected to accept their respective Project Cost Allocations. If such notice indicates that all CY19 LI Project Developers accepted their cost allocations, all CY19 LI Project Developers will then have until no later than **April 19, 2021** (five Business Days from the end of the Initial Decision Period) to pay cash or post Security to PSEG Long Island for SUFs and SDUs.

Subsequent Decision Round

If any CY19 LI Project Developer rejects a Project Cost Allocation or fails to accept its deliverable MW, if any (a “Non-Acceptance Event”), then the NYISO will prepare and issue an updated report and updated cost allocations, as applicable, for the remaining Developers by no later than **April 26, 2020** (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 additional details regarding the 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

Sr. Manager, Interconnection Projects

cc:

Iram Iqbal, PSEG-LIPA

**Attachment A - Summary Tables of CY19 LI Projects' Initial Decision Period
Cost Allocations, Headroom, and Deliverable MW**

Table 1: CY19 LI Projects' Total SUF and SDU Cost Allocations

CTO		Total SUF Cost (\$)	PSEG-LI			Total SUF/SDU Cost (\$)
Queue	Project Name		LI SDU #1 (\$)	LI SDU #2 (\$)	LI SDU #3 (\$)	
Q535	Riverhead Expansion (1)	\$ -	-	-	-	\$ -
Q612	South Fork Wind Farm (1)	\$ -	-	\$ 1,844,385	\$ 9,768,277	\$ 11,612,663
Q695	South Fork Wind Farm II (1)	\$ -	-	-	-	\$ -
Q738	El Melville	\$ 10,450,821	-	-	\$ 67,519,917	\$ 77,970,738
Q746	Peconic River Energy Storage	\$ 8,891,380	-	\$ 5,304,395	\$ 31,284,888	\$ 45,480,663
Total		\$ 19,342,201	-	\$ 7,148,780	\$ 108,573,082	\$ 135,064,063

Note:

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

Table 2: CY19 LI Projects' Deliverable MW

#	QUEUE POS.	PROJECT	Requested Summer CRIS (MW)	Deliverable Summer CRIS (MW) (1)	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
4	738	El Melville	816	816	816
5	746	Peconic River Energy Storage	150	150	150

Note:

- (1) This denotes the MW deemed deliverable if the respective CY19 LI Projects accept their Project Cost Allocation for SDUs.