

IMPORTANT NOTICE – RESPONSE REQUIRED ON OR BEFORE APRIL 20, 2023

March 21, 2023

TO: Class Year 2021 Additional SDU Study Projects

Queue #	Project/Facility	Developer/Owner
746	Peconic River Energy Storage	Energy Storage Resources, LLC
766	Sunrise Wind (aka NY Wind Holbrook)	Sunrise Wind LLC
942	KCE NY 21	KCE NY 21, LLC
956	Holtsville 138kV Energy Storage	Holtsville Energy Storage, LLC
965	Yaphank Energy Storage	Yaphank Energy Storage, LLC
987	Sunrise Wind II (aka NY Wind Holbrook 2)	Sunrise Wind LLC
994	KCE NY 22	KCE NY 22, LLC

Notice of Initial Decision Period to Class Year 2021 Additional SDU Study Projects

Dear Developers:

This notice is served as the “Notice of Initial Decision Period for Class Year 2021 Additional SDU Study Projects.”

Operating Committee Approval of Class Year 2021 Additional SDU Study Project Cost Allocations

On March 21, 2023, the NYISO Operating Committee approved the report entitled “Class Year 2021 Facilities Study Additional System Deliverability Upgrade (SDU) Report” (“CY21 ASDU Study Report”).¹ The study report contains the proposed cost allocations of SUF and/or SDU for the Class Year 2021 Additional SDU Study Projects (“CY21 ASDU Projects”).

The Initial Round Project Cost Allocations for SUFs, Headroom payments for SDUs, Project Cost Allocation for SDUs, and Deliverable MW approved by the Operating Committee for the CY21 ASDU Projects are provided in the CY21 ASDU Study Report and summarized in the

¹ CY21 ASDU Study Report is available on the NYISO website at www.nyiso.com, under 2023 Operating Committee meeting materials.

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”).

Decisions Required from CY21 ASDU Projects

Each CY21 ASDU Project Developer is required to provide notice to the NYISO on or before **April 20, 2023** via electronic mail to InterconnectionSupport@nyiso.com, indicating the following:

- If applicable, 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 applicable 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 CY21 ASDU 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 CY21 ASDU 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 CY21 ASDU 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 CY21 ASDU Project’s Deliverable MWs.

Security Posting Requirements

Within two (2) Business Days following receipt of the CY21 ASDU Project Developers’ notices, the NYISO will inform all CY21 ASDU Project Developers, as to whether or not all CY21

ASDU Project Developers have elected to accept their respective Project Cost Allocations. If such notice indicates that all CY21 ASDU Project Developers accepted their cost allocations, all CY21 ASDU Project Developers will then have until no later than **April 27, 2023** (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 and, if applicable, pay cash or post Security for SDU headroom usage to previous applicable CY17 Projects.

Subsequent Decision Round

If any CY21 ASDU 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 **May 4, 2023** (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 send me an e-mail to InterconnectionSupport@nyiso.com.

Sincerely,

Wenjin Yan

Manager, Facility Studies

cc:

Iram Iqbal, PSEG-LIPA

Sarah Johnson, Invenegy (Q#467 Shoreham Solar project)

Musa Wafula, AES (Q#477 Riverhead Solar project)

Patricia Vallejo, NextEra Energy (Montauk/Hampton Energy Storage projects)

**Attachment A - Summary Tables of CY21 ASDU Projects' Initial Decision Period
Cost Allocations, Headroom, and Deliverable MW**

Table 1: CY21 ASDU Projects' Total SUF and SDU Cost Allocations Paid to PSEG-LIPA

CTO		PSEG-LI			
Queue Number	Project Name	Total SUF Cost	Total SDU Cost	Total SUF and SDU Cost	Total Project Cost Allocation in CY21 Additional SDU Study Decision Period
Q766	NY Wind Holbrook (1)	\$37,560,050	\$181,064,121	\$218,624,171	\$181,064,121
Q942	KCE NY 21	\$1,738,825	\$120,251,688	\$121,990,513	\$121,990,513
Q956	Holtsville 138 kV Energy Storage (1)	\$590,475	\$53,815,115	\$54,405,590	\$53,815,115
Q965	Yaphank Energy Storage	\$8,986,556	\$42,254,022	\$51,240,578	\$51,240,578
Q987	NY Wind Holbrook 2 (1)	\$0	\$9,053,206	\$9,053,206	\$9,053,206
Q994	KCE NY 22	\$11,109,692	\$44,305,942	\$55,415,634	\$55,415,634
Q746	Peconic River Energy Storage	\$0	\$76,073,439	\$76,073,439	\$76,073,439
Total		\$59,985,598	\$526,817,534	\$586,803,132	\$548,652,606

Note

(1) Q766, Q956 and Q987 accepted their SUF cost allocation and posted Security in the regular CY21 settlement.

Table 2: CY21 ASDU Projects' Headroom Payment to Previous CY17 Projects' SDU

Queue Number	CY21 Project Name	To CY17 Q467 Shoreham Solar	To Q477 Riverhead Solar	To CY17 Montauk Energy Storage	To CY17 East Hampton Energy Storage	Total Headroom Payment to CY17 Projects
Q766	NY Wind Holbrook	\$473,857	\$315,936	\$74,864	\$66,484	\$931,141
Q987	NY Wind Holbrook 2	\$23,693	\$15,797	\$3,743	\$3,324	\$46,557
Total		\$497,550	\$331,733	\$78,607	\$69,808	\$977,698

Table 3: CY21 ASDU Projects' Deliverable MW

#	QUEUE POS.	PROJECT	Requested Summer CRIS (MW)	Deliverable Summer CRIS (MW) (1)	Calculate Winter CRIS (MW)
1	746	Peconic River Energy Storage	150	150	150
2	766	Sunrise Wind (aka NY Wind Holbrook)	880	880	880
3	942	KCE NY 21	60	60	60
4	956	Holtsville 138kV Energy Storage	110	110	110
5	965	Yaphank Energy Storage	76.8	76.8	76.8
6	987	Sunrise Wind II (aka NY Wind Holbrook 2)	44	44	44
7	994	KCE NY 22	90	90	90

Note:

(1) This denotes the MW deemed deliverable if the respective CY21 ASDU Projects accept their Project Cost Allocation for SDUs.