

IMPORTANT NOTICE – RESPONSE REQUIRED ON OR BEFORE JANUARY 13, 2024

December 13, 2024

TO: Class Year 2023 Additional SDU Study Projects

Queue #	Developer/Owner	Project/Facility
825	Setauket Energy Storage, LLC	Setauket Energy Storage
957	Holbrook Energy Storage, LLC	Holbrook Energy Storage
971	Savion, LLC	East Setauket Energy Storage
1012	Suffolk County Energy Storage II	Suffolk County Storage II
1117	Caithness LI Energy Storage, LLC	CLIES 70MW
1123	KCE NY 29, LLC	KCE NY 29
1254	Barrett Hempstead Battery Storage	Barrett Hempstead Battery Storage
1255	Holtsville Brookhaven Battery Storage	Holtsville Brookhaven Battery Storage
1256	Canal Southampton Battery Storage	Canal Southampton Battery Storage
1257	Edwards Calverton Battery Storage	Edwards Calverton Battery Storage

Notice of Initial Decision Period to Class Year 2023 Additional SDU Study Projects

Dear Developers:

This notice is served as the “Notice of Initial Decision Period for Class Year 2023 Additional SDU Study Projects.”

Operating Committee Approval of Class Year 2023 Additional SDU Study Project Cost Allocations

On December 12, 2024, the NYISO Operating Committee approved the report entitled “Class Year 2023 Facilities Study Additional System Deliverability Upgrade (SDU) Report” (“CY23

ASDU Study Report”).¹ The study report contains the proposed cost allocations of SUF and/or SDU for the Class Year 2023 Additional SDU Study Projects (“CY23 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 CY23 ASDU Projects are provided in the CY23 ASDU 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”).

Decisions Required from CY23 ASDU Projects

Each CY23 ASDU Project Developer is required to provide notice to the NYISO on or before **January 13, 2025** 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 CY23 ASDU Project Developer accepts or rejects its Project Cost Allocations and Deliverable MWs, as applicable, will be deemed a Non-Acceptance Notice.**

Bifurcated Decision Periods

The ASDU design study for the SDU required by Q1254 Barrett Hempstead Battery Storage was a separate study, the results of which were included in the CY23 ASDU Study. As indicted in the CY23 ASDU Study, the Project Cost Allocations for this project are not impacted by acceptances or rejections of Project Cost Allocations by other CY23 ASDU projects. As a result, the decision period for Q1254 Barrett Hempstead Battery Storage will be bifurcated from the decision period for the other CY23 ASDU Study projects.

¹ CY23 ASDU Study Report is available on the NYISO website at www.nyiso.com, under 2023 Operating Committee meeting materials.

Consequences of Project Cost Allocation decisions

Non-acceptance of the Project Cost Allocation for SUFs will result in removal of that project from the CY23 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 CY23 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 CY23 ASDU Project's Deliverable MWs.

Security Posting Requirements

Within two (2) Business Days following receipt of the CY23 ASDU Project Developers' notices, the NYISO will inform all CY23 ASDU Project Developers, as to whether or not all CY23 ASDU Project Developers have elected to accept their respective Project Cost Allocations. If such notice indicates that all CY23 ASDU Project Developers accepted their cost allocations, all CY23 ASDU Project Developers will then have until no later than **January 21, 2025** (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 SUF and SDU headroom usage to previous applicable CY17 and CY21 Projects.

Subsequent Decision Round

If any CY23 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 **January 27, 2025** (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.

Under Section 40.3.1.3.2 of OATT Attachment HH, the Class Year 2023 Additional SDU Study will terminate if the decision period for the Additional SDU Study is not completed prior to ten (10) Business Days prior to the scheduled Phase 1 Study Start Date for the Transition Cluster Study.

If you have any questions, please send me an e-mail to InterconnectionSupport@nyiso.com.

Sincerely,

Wenjin Yan

Manager, Generation Integration

cc:

Iram Iqbal, PSEG-LIPA

Sarah Johnson, Invenergy (Q467 Shoreham Solar project)

Musa Wafula, AES (Q477 Riverhead Solar project)

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

Peter McGarley, Q766/Q987 Sunrise Wind I and II

Clayton Welch, Savion (Q956 Holtsville 138 kV/Q965 Yaphank Energy Storage projects)

Attachment A - Summary Tables of CY23 ASDU Projects' Initial Decision Period

Cost Allocations, Headroom, and Deliverable MW

Table 1: CY23 ASDU Projects' Total SUF and SDU Cost Allocations Paid to PSEG-LIPA

Project Name	PSEGLI		
	Total SUF Cost	Total SDU Cost	Total SUF and SDU Cost
Q825 Setauket Energy Storage	\$19,847,616	\$39,150,286	\$58,997,902
Q957 Holbrook Energy Storage	\$20,777,015	\$31,428,544	\$52,205,559
Q971 East Setauket Energy Storage	\$15,521,556	\$64,083,568	\$79,605,124
Q1012 Suffolk County Storage II	\$3,118,356	\$38,519,130	\$41,637,486
Q1117 CLIES 70MW	-	\$36,066,171	\$36,066,171
Q1123 KCE NY 29 ⁽¹⁾	\$3,330,774 ⁽¹⁾	\$68,299,593	\$71,630,367 ⁽¹⁾
Q1254 Barrett Hempstead Battery Storage	\$15,325,672	\$6,787,717	\$22,113,389
Q1255 Holtsville Brookhaven Battery Storage	\$12,543,189	\$51,075,558	\$63,618,747
Q1256 Canal Southampton Battery Storage	\$8,639,185	\$50,438,981	\$59,078,166
Q1257 Edwards Calverton Battery Storage	\$5,303,982	\$30,393,702	\$35,697,684
Total	\$104,407,345	\$416,243,250	\$520,650,595

Notes

(1)

Q1123 accepted its Project Cost Allocation for SUFs in the Initial Decision Round for CY23 and posted the required Security after the Subsequent Decision Period.

Table 2: CY23 ASDU Projects' Functional Headroom Payment to Previous CY21 Projects' SUF

Queue Number	CY23 Project Name	To CY21 Q766 Sunrise Wind	To CY21 Q766 Sunrise Wind II	Total Headroom Payment to CY17 Projects
Q825	Setauket Energy Storage	\$845,886	\$845,886	\$1,691,772
Q957	Holbrook Energy Storage	\$845,886	\$845,886	\$1,691,772
Q1012	Suffolk County Storage II	\$845,886	\$845,886	\$1,691,772
Q1117	CLIES 70MW	\$845,886	\$845,886	\$1,691,772
Q1255	Holtsville Brookhaven Battery Storage	\$845,886	\$845,886	\$1,691,772
Q1256	Canal Southampton Battery Storage	\$845,886	\$845,886	\$1,691,772
Q1257	Edwards Calverton Battery Storage	\$845,886	\$845,886	\$1,691,772
	Total	\$5,921,202	\$5,921,202	\$11,842,404

Table 3: CY23 ASDU Project's Electrical Headroom Payment to Previous CY17 Projects' SDU

Queue Number	CY23 Project Name	To CY17 Q467 Shoreham Solar	To CY17 Q477 Riverhead Solar	To CY17 Montauk Energy Storage	To CY17 East Hampton Energy Storage	Total Headroom Payment to CY17 Projects
Q825	Setauket Energy Storage	\$237,425	\$158,299	\$37,510	\$33,312	\$466,547

Table 4: CY23 ASDU Project's Electrical Headroom Payment to Previous CY21 Projects' SDU

Queue Number	CY23 Project Name	To CY21 Q766 Sunrise Wind and CY21 Q987 Sunrise Wind II	To CY21 Q956 Holtsville 138 kV Energy Storage	To CY21 Q965 Yaphank Energy Storage	Total Headroom Payment to CY21 Projects
Q957	Holbrook Energy Storage	\$3,030,485	\$852,477	\$1,044,654	\$4,927,617

Table 5: Class Year 2023 Partial Deliverable MW

Project	Requested ERIIS (MW)	Requested CRIS (MW)	Deliverable CRIS (MW)
Q825 Setauket Energy Storage	65.3	65.3	26.1
Q957 Holbrook Energy Storage	76.8	76.8	33.0
Q971 East Setauket Energy Storage	125	125	35.8
Q1012 Suffolk County Storage II	76.8	76.8	23.2
Q1117 CLIES 70 MW	70	70	19.8
Q1123 KCE NY 29	150	150	55
Q1254 Barrett Hempstead Battery Storage	40	40	0
Q1255 Holtsville Brookhaven Battery Storage	79.9	79.9	29.9
Q1256 Canal Southampton Battery Storage	100	100	29.8
Q1257 Edwards Calverton Battery Storage	60	60	17.7