

IMPORTANT NOTICE – PAYMENTS OR SECURITY POSTINGS REQUIRED BY JANUARY 12, 2015

January 6, 2015

TO: Remaining Developers of Class Year 2012 Projects

Queue Pos.	Project	Developer	Contact(s)
266	Berrians GT III	NRG Energy, Inc.	Brad Kranz David Neal
355	Stewarts Bridge Hydro	Brookfield Renewable Power	Matthew Johnson Cornelius Collins

Re: Notice of Class Year 2012 Second Round Decision Results – Request to Post Security

Dear Developer Representatives:

On December 29, 2014, a notice was sent to you regarding the Second Round Class Year 2012 Facilities Study reports and corresponding cost allocations for System Upgrade Facilities (SUFs) and System Deliverability Upgrades (SDUs) for the remaining Class 2012 Projects, and requesting NRG Energy, Inc., to provide a notice of acceptance or non-acceptance of the revised cost allocation(s) and Deliverable MWs for the Q266 Berrians GT III project by January 5, 2015.¹ (Brookfield Renewable Power was not required to provide an acceptance or non-acceptance notice for the Second Round.) This is to inform you that the remaining Class 2012 Developers have accepted their respective cost allocations and Deliverable MWs, as applicable (see Attachment A).

Now, in accordance with Section 25.8.2.1 of Attachment S of the NYISO OATT, NRG Energy must satisfy its Headroom obligations to Astoria Energy II in accordance with Section 25.8.7.6 of Attachment S; and pay cash or post Security in the full amount of its Project Cost Allocation for SUFs to NYPA, the Connecting Transmission Owner **within five (5) business days from January 5, 2015 (i.e., by January 12, 2015)**. “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 NRG Energy to notify me when it has made payment or posted Security for its respective Project Cost Allocation for SUFs and for its Headroom obligations. By copy of this notice, I request NYPA to confirm to me that such payment/posting for SUFs has been made and meets their requirements.

In the event that any Security Posting Default occurs, NYISO will, if necessary, prepare and issue another revised Class Year 2012 Interconnection Facilities Study report and cost allocation, in accordance with the requirements of Attachment S.

If you have any questions, please call me at (518) 356-6134, or send me an e-mail at scorey@nyiso.com.

¹ An update to the December 29, 2014 notice was issued on January 6, 2015. The update is reflected in Table 1 of Attachment A of this notice.

Sincerely,

Steven L. Corey

Manager, Interconnection Projects

cc. Davi Shih, NYPA
John Beck, Con Edison
Doug Fuess, National Grid

Attachment A

Summary Tables of Class Year 2012 Second Round
Cost Allocations, Headroom, and Deliverable MW

Table 1 – Project Cost Allocations for SUFs

From Project Name	Total \$ SUF per project	To NYPA	To NG-NM
Q266 Berrians III	\$11,400,000	\$11,400,000	N/A
Q355 Stewarts Bridge Uprate	\$0	N/A	\$0
Total to Transmission Owner	\$11,400,000	\$11,400,000	\$0

Table 2 – Headroom Payments for SUFs

Headroom	From Q266 Berrians III	From Q355 Stewarts Bridge Uprate
Electrical Headroom SUFs	0	0
Functional Headroom SUF (to CY10 Astoria Energy II)	418,563	0
Total Headroom payments	418,563	0

Table 3 – Deliverable MW and Project Cost Allocations for SDUs

Queue#	Project Name	Deliverable MW	SDU Cost Allocation
266	Berrians GT III	250	0
355	Stewarts Bridge Hydro	N/A	N/A