

August 16, 2011

TO: Developers of Class Year 2009 Projects

Queue Pos.	Project	Developer	Contact(s)
222	Ball Hill Windpark	Noble Ball Hill Windpark, LLC	Bob Charlebois
232	Bayonne Energy Center	Bayonne Energy Center, LLC	Paul Barnett, Mike Gregg
245	Fulton County Landfill	Innovative Energy System, Inc.	Dennis Plaster
251	CPV Valley Energy Center	CPV Valley, LLC	Steven Remillard

Re: Notice of Developers' Initial Decisions Regarding the Class 2009 Cost Allocation – Initiation of Round 2

Dear Developer Representatives:

August 15, 2011 was the deadline for the Class 2009 Developers to provide notice to the NYISO indicating either acceptance (“Acceptance Notice”) or non-acceptance (“Non-Acceptance Notice”) of their respective Project Cost Allocations for System Upgrade Facilities (SUFs) and System Deliverability Upgrades (SDUs) and Deliverable MWs, as outlined in my *Notice of Project Cost Allocations for System Upgrade Facilities and System Deliverability Upgrades*, dated July 14, 2011.

This is to inform you that a Non-Acceptance Event has occurred for the Class Year 2009, and therefore, a second round of cost allocations will be required. Developer decisions are summarized in Table A below.

Queue# / Project	Project Cost Allocation for SUFs	Project Cost Allocation for SDUs	Deliverable MWs
222 Ball Hill Windpark	Accepted	Accepted	N/A
232 Bayonne Energy Center	Accepted	Accepted	Accepted
245 Fulton County Landfill	Accepted	Not Accepted	N/A
251 CPV Valley	Accepted	Accepted	N/A

Consequently, all Class 2009 Developers are relieved of their obligation to post Security for their current respective Project Cost Allocations for both SUFs and SDUs, as applicable. Since all Developers accepted their cost allocation for SUFs, no projects will be entirely removed from the Class 2009, and the Project Cost Allocations for SUFs will not change for this second round. However, the Fulton County Landfill project will be removed from the Deliverability Study. For the second round, the NYISO will issue an updated Class Year Interconnection Facilities Study including Project Cost Allocations for SUFs and SDUs and Deliverable MWs, revised as necessary, by September 12, 2011, in accordance with Attachment S of the NYISO Open Access Transmission Tariff. Thereafter, the Developers will have seven (7) calendar days to again notify the NYISO whether or not they accept their respective Project Cost Allocations for SUFs and SDUs and their Deliverable MWs. Developers must provide this notice for the second round even if their Project Cost Allocation and/or Deliverable MWs are unchanged from the first round.

If all Developers accept their cost allocations and Deliverable MW from the second round, Developers will then have five (5) business days from the end of the decision period to post Security for SUFs and SDUs to the applicable Transmission Owner(s). Developers that owe Headroom reimbursements also would be required to pay such reimbursements to the applicable prior Class Year Developer(s). If, however, not all remaining Class 2009 Developers accept their revised cost allocations for SUFs and SDUs and Deliverable MW, as applicable, the NYISO would need to prepare and issue yet another updated Class Year Interconnection Facilities Study with cost allocations and Deliverable MWs, as applicable.

If you have any questions, please call or send me an e-mail at the number/address below.

Sincerely,

Steven L. Corey

Manager, Interconnection Projects

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E-mail: scorey@nyiso.com

cc. Doug Fuess, National Grid
Mark Chier, NYSEG-RG&E
Rich Wright, Central Hudson
John Beck, Con Edison
James Lee, NYPA