

**IMPORTANT NOTICE – RESPONSE REQUIRED BY NOVEMBER 15, 2011**

November 8, 2011

TO: Remaining Class Year 2009 Project Developers

Queue Pos.	Project	Developer	Contact(s)
222	Ball Hill Windpark	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

Re: Notice of Fourth Round Addendum to Class 2009 Facilities Studies and Cost Allocation for System Upgrade Facilities (SUFs) and System Deliverability Upgrades (SDUs) – Fourth Round Decision Period

Dear Developer Representatives:

On November 3, 2011, a notice was sent informing you of a Security Posting Default for Class Year 2009, and that NYISO staff would prepare and issue an updated Class Year Interconnection Facilities Study including Project Cost Allocations for SUFs and SDUs and Deliverable MWs, as applicable, to the remaining Class 2009 project Developers. Enclosed with this notice is the *Fourth Round Addendum to the Class Year 2009 Facilities Studies* in two separate reports covering SUFs and SDUs, respectively.

The Class 2009 Facilities Study was updated in this fourth round to remove the CPV Valley project from the Class. The Fourth Round Project Cost Allocations for SUFs, Headroom payments for SUFs, Project Cost Allocation for SDUs, and Deliverable MW are provided in the respective Addendum Reports, and summarized in the tables attached to this notice.

Now, in accordance with Attachment S, each remaining Class 2009 Developer is required to provide within seven (7) calendar days of issue of this notice, notice to the NYISO, in writing and via electronic mail, indicating whether it shall accept its Fourth Round Project Cost Allocation (“Acceptance Notice”), or not accept its Project Cost Allocation (“Non-Acceptance Notice”) regarding SUFs. Note that such notice is required for each project, even if the Project Cost Allocation is zero. Separately, each remaining Class 2009 Developer also is required to notify the NYISO within the same seven calendar-day period whether it shall accept or not accept its Fourth Round Project Cost Allocation for SDUs and Deliverable MW, as applicable. Please provide such notice(s) to me by November 15, 2011.

Please send your notice(s) to:

Steven L. Corey  
New York Independent System Operator  
10 Krey Blvd.  
Rensselaer, NY 12144  
scorey@nyiso.com

By November 16, 2011, NYISO will notify the Developers whether all the remaining Class 2009

Developers have accepted their Fourth Round cost allocations. If all Developers accept their cost allocations, Developers will then have five (5) business days after the end of this Subsequent Decision Period (until November 22, 2011) to post Security for SUFs, and for SDUs as applicable, to the applicable Transmission Owner(s). Developers that owe Headroom payments also would be required to make such payments to the applicable prior Class Year Developer(s). However, if not all remaining Class 2009 Developers accept their respective Fourth Round Project Cost Allocations, NYISO would need to prepare and issue yet another revised Class 2009 Facilities Study report.

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

Phone No. (518) 356-6134

E-mail: [scorey@nyiso.com](mailto:scorey@nyiso.com)

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

## Attachment A

Summary Tables of Class 2009 Fourth Round  
Cost Allocations, Headroom, and Deliverable MW

Table 1 – Project Cost Allocations for SUFs

SUF Cost Allocation - \$ flow from CY09 Project to Transmission Owner						
From Project Name	Total SUF Project Cost Allocation (\$)	To NYPA	To NYSEG	To Central Hudson	To NG-NM	To ConEd
Q 222 Ball Hill	13,568,000				13,568,000	
Q232 Bayonne	70,950,259					70,950,259
Q245 Fulton County	429,000				429,000	
<b>Total to Transmission Owner</b>	<b>84,947,259</b>	0	0	0	13,997,000	70,950,259

Table 2 – Headroom Payments for SUFs

CY09 projects: Summary of Headroom payments cost estimates (\$)				CY09 Bayonne payments to CY01 \$		
Headroom	Ball Hill (NG-NM) Q222	Bayonne (ConEd) Q232	Fulton Co (NG-NM) Q245	To CY01 East River	To CY01 NYPA	To CY01 SCS Astoria
Electrical Headroom SUFs	0	4,594,546	0			
CY09 projects: Electrical Headroom reimbursement flow	0	0	0	46.12%	31.09%	22.78%
<b>Total CY09 reimbursement to CY01 \$</b>	<b>0</b>	<b>4,594,546</b>	<b>0</b>	<b>2,119,152</b>	<b>1,428,601</b>	<b>1,046,794</b>

% allocation as defined in the Financial Settlement, and as applied in prior CY

Table 3 – Deliverable MW and Project Cost Allocations for SDUs

CY09 Fourth Round Deliverable MW and SDU Project Cost Allocation – \$ Flow from CY09 Project to Transmission Owner				
From Project Name	Deliverable MW	SDU Project Cost Allocation	To Central Hudson	To NG-NM
Q232 Bayonne Energy Center	512.0	\$0	N/A	N/A
Q222 Ball Hill Windpark	0	\$1,053,513	\$1,025,545	\$27,968