

IMPORTANT NOTICE – SECURITY POSTING REQUIRED BY OCTOBER 21, 2011

October 17, 2011

TO: Remaining Class Year 2010 Project Developers

Queue Pos.	Project	Developer	Contact(s)
237	Allegany Wind	Allegany Wind, LLC	Charles Vogel
260	Stephentown	Stephentown Regulations Services, LLC	Robert Rounds
263	Stony Creek Wind Farm	Stony Creek Wind Farm, LLC	Eric Miller
308	Astoria Energy II	Astoria Energy II, LLC	Charles McCall
330	Upton Solar Farms	Long Island Solar Farm, LLC	Todd Lacoste

Re: Notice of Class 2009 & 2010 3rd Round Decision Results – Request to Post Security

Dear Developer Representatives:

On October 7, 2011, a notice was sent to you regarding the *Third Round Addendum to Class 2010 Facilities Studies* and corresponding cost allocations for System Upgrade Facilities (SUFs) and System Deliverability Upgrades (SDUs) for the remaining Class 2009 Projects, and requesting each of you to provide a notice of acceptance or non-acceptance of your revised cost allocation(s) and Deliverable MWs by October 14, 2011. This is to inform you that all the remaining Class 2009 Developers have accepted their respective cost allocations, and all the remaining Class 2010 Developers also have accepted their respective cost allocations and Deliverable MWs, as applicable (see Attachment A).

Now, the remaining Class 2010 Developers must pay cash or post Security in the full amount of their respective Project Cost Allocations for SUFs and SDUs, as applicable, to the respective Transmission Owner(s) **within five (5) business days from October 14, 2011 (i.e., by October 21, 2011)**, in accordance with Attachment S of the NYISO OATT. The applicable Transmission Owner(s) for each Developer are identified in Appendix A to this notice. Section 25.8.2.1 of Attachment S states, “[t]he Security can be 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).” Additional details regarding this requirement are found in Attachment S.

I request each of the Developers to notify me when the Security has been posted or payment made, and by copy of this notice, I request the Transmission Owners to confirm to me that the Security postings/payments have been made and meet their requirements.

In the event that any Security Posting Default occurs, NYISO would need to prepare and issue yet another revised Class 2010 Facilities Study report and cost allocation, in accordance with Attachment S.

Note that the Class 2010 cost allocation included a calculation of Headroom payments from Class 2010 Developers to prior Class Year Developers for usage of functional and electrical Headroom on certain System Upgrade Facilities (see Attachment A). The applicable Class 2010 Developers also must make arrangements to pay Headroom reimbursement(s) to the applicable prior Class Year Developer(s) as

indicated. I request any Developer required to make a Headroom payment to confirm to me that such payment has been made.

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

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

Attachment A

Summary Tables of Class 2010 Third Round
Cost Allocations, Headroom, and Deliverable MW

Table 1 – Project Cost Allocations for SUFs

SUF Cost Allocation - \$ flow from CY10 Project to Transmission Owner						
From Project Name	Total SUF Project Cost Allocation (\$)	To NYPA	To NYSEG	To NG-NM	To ConEd	To LIPA
Q237 Allegany	1,941,000			1,941,000		
Q260 Stephentown	1,189,200		993,700	195,500		
Q263 Stony Creek	8,259,400		8,259,400			
Q308 Astoria Energy II	80,116,055	74,195,143			5,920,912	
Q330 Upton Solar	0					0
Total to Transmission Owner	91,505,655	74,195,143	9,253,100	2,136,500	5,920,912	0

Table 2 – Headroom Payments for SUFs

CY10 Projects Functional Headroom reimbursement \$ flow					
Total CY10 reimbursement to CY06 and CY07, as applicable \$	To CY06 Canandaigua I	To CY07 High Sheldon	To CY07 Wethersfield	To CY07 Canandaigua II	
From CY10 Stony Creek	56,660	385,872	385,872	56,660	885,063

Table 3 – Deliverable MW and Project Cost Allocations for SDUs

CY10 Third Round Deliverable MW and SDU Project Cost Allocation				
From Project Name	Deliverable MW	SDU Project Cost Allocation	To Central Hudson	To NG-NM
Q237 Allegany	0.0	\$848,663	\$826,133	\$22,530
Q263 Stony Creek	0.0	\$1,035,954	\$1,008,452	\$27,502
Q330 Upton Solar	31.5	\$0	N/A	N/A
Total to Transmission Owner		\$1,884,617	\$1,834,585	\$50,032