

December 16, 2014

TO: Developers of Class Year 2012 Projects

Queue Pos.	Project	Developer	Contact(s)
266	Berrians GT III	NRG Energy, Inc.	Brad Kranz David Neal
305	Champlain Hudson Power Express	Transmission Developers, Inc.	Bill Helmer Donald Jessome George Pond, Esq.
310	Cricket Valley Energy Center	Cricket Valley Energy Center, LLC	Bob DeMeyere Arnold Wallenstein
355	Stewarts Bridge Hydro	Brookfield Renewable Power	Matthew Johnson Cornelius Collins

Re: Notice of Developers' Initial Decisions Regarding the Class Year 2012 Cost Allocation – Initiation of Second Round

Dear Developer Representatives:

December 15, 2014 was the deadline for the Class Year 2012 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 Class Year 2012 Initial Project Cost Allocations for System Upgrade Facilities and System Deliverability Upgrades*, dated November 14, 2014.

This is to inform you that Non-Acceptance Events have occurred, and therefore, a second round of cost allocations will be required. Developer decisions are summarized in the table below.

Queue# / Project	Project Cost Allocation for SUFs	Project Cost Allocation for SDUs	Deliverable MWs
266/ Berrians GT III	Accepted	Accepted	Accepted
305/ Champlain Hudson Power Express	Not Accepted	Not Accepted	Not Accepted
310/ Cricket Valley	Not Accepted	Not Accepted	Not Accepted
355/ Stewarts Bridge Hydro	Accepted	N/A	N/A

As a consequence of the above Non-Acceptance Events, all Class Year 2012 Developers are relieved of their obligation to post Security for their current respective Project Cost Allocations for both SUFs and SDUs, as applicable.

For the second round, the Champlain Hudson Power Express and Cricket Valley projects and their related SUFs will be removed from Class Year 2012 entirely. The NYISO will issue updated Class Year 2012 Interconnection Facilities Study reports, including a Revised Project Cost Allocation for SUFs and SDUs and Deliverable MWs, by December 29, 2014, in accordance with Attachment S of the NYISO Open Access Transmission Tariff.

Once NYISO issues the updated Class Year 2012 Interconnection Facilities Study reports, the remaining Developers will have seven (7) calendar days (until January 5, 2015) to again notify the NYISO whether or not they accept their respective Revised Project Cost Allocations for SUFs and SDUs and their Deliverable MWs. Note, however, that a Developer that accepted an SUF and/or SDU Project Cost Allocation in the Initial Decision Period will not be provided with the option to accept or reject a Revised Project Cost Allocation following 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 Class Year Project's Deliverable MWs. If the Developer is not provided with the option to accept or reject a Revised Project Cost Allocation, its Acceptance Notice from the Initial Decision Period will act as an Acceptance Notice in the second round Decision Period.

If there are no Non-Acceptance Events in the second round Decision Period, Developers will then have five (5) business days from the end of the Decision Period to (1) pay cash or post Security to the applicable Transmission Owner(s) for SUFs and (2) to pay cash or post Security for Headroom to the applicable prior Class Year Developer(s). If, however, any remaining Class Year 2012 Developers reject a Revised Cost Allocation for SUFs, SDUs, or Deliverable MW, the NYISO will need to prepare and issue another updated Class Year Interconnection Facilities Study with Revised Project Cost Allocations and Deliverable MWs, as applicable.

Please refer to Sections 25.8.2 through 25.8.4 of Attachment S for details regarding the Class Year decision and settlement process.

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