

Proposed Amendments to Attachment X:

Tendering Facilities Study Agreements and Facilities Study Cost Allocation

Management Committee
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Two Proposed Tariff Amendments

- ◆ Tendering of Facilities Study Agreement
- ◆ Allocation of Study Costs from the Class Year Facilities Study

Background

- ◆ Both proposed tariff amendments are to Attachment X of the NYISO OATT.
- ◆ Attachment X contains the Large Facility Interconnection Procedures.
 - *Three interconnection studies are established under Attachment X.*
 - *Facilities Study is the final study and is performed on a Class Year basis.*

Class Year Facilities Study

- ◆ The Facilities Study identifies and evaluates both Attachment Facilities and System Upgrade Facilities.
- ◆ Attachment S to the NYISO OATT provides the detailed requirements of the Facilities Study, including
 - *Methodology for allocating System Upgrade Facilities costs to projects in the Class Year, and*
 - *Milestones for entry of a project in to a Class Year.*

Tendering of Facilities Study Agreement

- ◆ Current tariff language requires the NYISO to tender a Facilities Study Agreement to a Developer when the project's SRIS is approved by the Operating Committee.
 - *Developer has 30 days to execute agreement and provide deposit (minimum of \$100,000).*
- ◆ Some of the issues with current tariff language are:
 - *Does not consider eligibility of project for the Class Year,*
 - *May require Developer to execute and provide deposit months before Facilities Study starts, and*
 - *Does not address when the NYISO must provide study agreements to projects that have been in a prior Class Year.*

Tendering of Facilities Study Agreement—Proposed Language

- ◆ NYISO would tender a Facilities Study Agreements to “eligible” Developers beginning 30 days prior to the start of the Facilities Study.
- ◆ An Eligible Developer could request a Facilities Study Agreement prior to the 30-day period.
- ◆ Developer would be required to execute the agreement and provide the required deposit by the later of (1) 30 days from receipt of the agreement, or (2) the start date for the Facilities Study.

Facilities Study Cost Allocation

- ◆ Current tariff language requires that the cost to perform an interconnection study for a group of projects be shared equally among the Developers.
 - *When applied to the Facilities Study, it requires all Class Year projects to share equally in the costs to study Attachment Facilities and System Upgrade Facilities.*
- ◆ Parties expressed concern that the cost to study Attachment Facilities varies greatly depending on the project and, therefore, should not be shared equally.

Facilities Study Cost Allocation—Proposed Language

- ◆ The cost to study Attachment Facilities, as part of the Facilities Study, would be paid for by the project(s) requiring those facilities.
- ◆ The cost to study System Upgrade Facilities would continue to be shared equally among the Class Year projects.
- ◆ The NYISO will request that this provision be applied first to Class Year 2008.

Committee Review

- ◆ TPAS reviewed both proposed tariff amendments over several meetings.
 - *At its November 13, 2006 meeting, TPAS recommended that the Operating Committee approve the tariff amendments.*
- ◆ Operating Committee approved both proposed tariff amendments at its December 7, 2006 meeting.