

Project Candidate Template

Instructions: Stakeholders are encouraged to present their project ideas at a stakeholder meeting and raise with their sector to get feedback on their proposal. Several BPWG meetings have been set aside at the start of the project prioritization process. The project description below is required for all project candidates to be included in the survey. Stakeholders should contact Brian Hurysz at (518) 461-6405 or email bhurysz@nyiso.com (cc Leigh Bullock lbullock@nyiso.com on any email communications) to discuss any suggestions for new projects. A NYISO staff member will be assigned to work with the stakeholder on each new project request, provide assistance with completing this business case as needed, and facilitate internal discussions for the NYISO scoring and resource estimation. Please complete this template with as much information as possible.

1 Interconnection Process Enhancements Requested by ACE-NY

1.1 Problem / Opportunity

With the advent of the CLCPA, New York State's power grid is rapidly transitioning with the incorporation of a new intermittent renewable resources, energy storage resources, and distributed energy resources. It is estimated that an additional 26,000 MW of new resources will need to come online by 2030 in order to achieve the codified goals of the CLCPA. All of these new resources will be required to go through the NYISO's interconnection process. While the NYISO has taken important steps in ensuring the competitive markets and reliability are maintained through initiatives like Grid in Transition, additional steps are needed to be taken to develop new enhancements and reforms to the interconnection process to ensure that it remains sustainable and reflects the unique characteristics of the resources that will be interconnecting.

The NYISO's Interconnection process was last enhanced and reformed back in 2019 with the Class Year Redesign, and a 2022 project will seek to better coordinate the interconnection process with expected transmission expansion. Additionally, FERC has initiated an ANOPR with regards to Transmission Planning and Interconnection. It is expected that FERC will issue a final NOPR by the end of 2022 resulting in a compliance directive for the RTO/ISOs. While these ~~enhancements initiatives~~ have ~~resulted and are expected to result~~ in increased efficiencies, there are additional opportunities for reforms and enhancements ~~that build upon these initiatives (i.e., 2019 Class-year redesign, 2022 project, and expected FERC NOPR).~~

Due to a large influx of new ~~projects~~ projects to the Interconnection Queue, the complete study process has become overly lengthy, with high numbers of withdrawals from the queue. Longer timelines create queue churn, wherein potential generators will submit a large number of projects in the hopes of seeing 2 or 3 make it through the process. This leads to longer study timelines. And a feedback loop is created.

As the volume of new resources seeking to interconnect to the system rapidly grows, it is paramount that the NYISO seeks to continue to enhance the interconnection process to be the most efficient and sustainable possible.

This section describes the business problem to be addressed or opportunity to be studied by the proposed project. Supporting background information, prior work, and analysis to the extent it is available should be included.

1.2 Project Objective(s) & Anticipated Deliverable(s)

The project will first study and identify opportunities for improvement to the interconnection process by working with key stakeholders (*i.e.*, Interconnecting Developers, Transmission Owners, and NYISO Planning department). ~~These~~ As part of this initial phase of the project, it will be important

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to identify aspects that are included as part of the expected FERC NOPR. This will help the project avoid any duplicative work and ensure it is operating in coordination with other interconnection initiatives. These identified opportunities will then be prioritized to create a plan that identifies a timeline for their implementation. The project will culminate in a final proposal or the enhancement of the interconnection process.

The areas identified for improvement would range from simple process improvements, to updating study procedures, to tariff modifications.

Areas to be addressed should include but not be limited to the following:

- ~~Assess the need for full queue reform to clear logjams~~
- Evaluate current COD requirements to accommodate longer development timeframes (e.g., Off-shore wind)
- Stakeholder Communications
 - Portal Improvement
 - Improved response time to inquiries
- Study process improvements
 - Determine how to speed up SRIS process
 - Determine the need for SRIS Cluster analysis
 - Improve cost estimate accuracy
 - Determine how Developers and NYISO can use consultants to expedite SRIS process
 - Standardize agreements and milestone templates across all TOs
 - Improve facilitation of LGIA process

The proposed enhancements would result in a interconnection process that is sustainable, efficient, and designed to support the state of New York's energy transition goals. The 2023 project milestone would be a Market Design Complete.

This section describes what the project should do to address the business problem or opportunity. It summarizes the approach and desired outcome, and may build on project work in a prior year. It includes the expected deliverables to satisfy the project objective and is tied to the proposed project milestone. The NYISO will work with the stakeholder(s) proposing a project to formulate what may be feasibly delivered in a particular time frame based on resourcing estimated for the effort.

1.3 Project Justification

Enhancements to the NYISO Interconnection process result in efficiencies that reduce time, decrease uncertainty, and reduce the risk that the interconnection process imposes upon new resources. This risk creates uncertainty for entrants, which is most often reflected in costs, and a need to overcompensate with additional projects. By reducing this risk a positive feedback loop could be created, fewer interconnection requests would be required, timelines would shrink, and the process would become more efficient. Additionally, the NYISO is facing a unprecedented challenge associated with both the drastic increase in work load due to the volume of projects needing to interconnect while also experiencing staffing challenges. Therefore, any increase in efficiency would support the NYISO in their essential function of the reliable interconnection of new resources.

This section provides reason(s) why the candidate project should be considered, including the expected benefits of completing the project and possible risks of not completing the project. Examples would include addressing a FERC Order, Tariff requirements, automate manual processes, mitigate risk, market enhancements, and State of the Market recommendations.