The New York ISO and the Interconnection Process

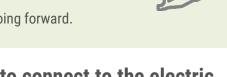
Integrating NY's Clean Energy Resources

State and federal clean energy policies are driving a historic transition of the electric generating fleet in NY, including a dramatic increase in clean energy projects. The increase is also driving a transition of the transmission system — the backbone of our electric infrastructure. These factors can have major implications for reliability and the flow of power across the state.

Administering the interconnection process and assessing the reliability impacts of each proposed facility is a major responsibility.

The NYISO administers the process, but success requires coordination with and between utilities and developers alike. Each party has an important role to play. While the process offers flexibility to developers considering multiple project designs for a single project, each proposal must be evaluated equally to determine the impact on grid reliability.

Striking a balance between flexibility and timely execution will benefit all parties going forward.



Proposed generation and transmission projects seeking to connect to the electric system must undergo a series of studies and detailed analyses to determine:

- ✓ Whether adding a new resource creates reliability issues on the system; and if so,
- ✓ What system upgrades are necessary to interconnect reliably, and at what cost. The costs of equipment and upgrades required to connect projects are assigned to project developers, and in some cases, the local utility, not consumers. The process identifies the lowest cost solution to solve the reliability need.

Types of interconnection requests that the NYISO analyzes:

- Generator additions intended to increase the amount of supply available to the grid;
- Transmission projects intended to provide consumers greater access to supply across the grid, and
- New, large industrial and commercial loads that add significant demand to the grid.

The process for generators generally involves three engineering studies of increasing detail:

- 1. Optional Feasibility Study evaluation of the configuration and local system impacts to inform developers of potential issues with the point of interconnection.
- 2. **System Impact Study** evaluates the impacts on the existing electric system, power flows, protection systems, and the need for any system upgrades.
- 3. Facilities Study evaluates the cumulative impact of a group of projects that have completed similar milestones known as the "Class Year." This part of the process also identifies specific least-cost system upgrades and assigns binding cost allocations that each developer must accept or reject.



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Interconnection Process Improvements

It is essential that the interconnection process continues to evolve while maintaining the integrity of the process and reliability of the electric system.

To make the interconnection process more efficient and support the development of proposed renewable energy projects, the NYISO is pursuing reforms under three broad categories:

- ✓ Improved and transparent communication with developers
- ✓ Efficient administration and coordination between parties
- ✓ Revised scope and structure of the interconnection process to make the Class Year Study (and entire process) more efficient

Additional staff has been added to address increasing workloads and the NYISO has launched a series of customer focus groups, providing for an ongoing exchange of ideas and information with all stakeholders.



Regulatory & Reliability Organization Oversight

To support reliability of the electric system for consumers, the NYISO must assess the reliability implications of every project in accordance with mandatory reliability standards imposed by the following entities:



NERC

North American Electric Reliability Corporation

NPCC

Northeast Power Coordinating Council

NYSRC

New York State Reliability Council

FERC

Federal Energy Regulatory Commission

PSC

New York State Public Service Commission

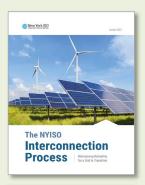
e New York ISO

A growing volume of projects seeking to connect to the grid

The NYISO interconnection study process is evolving to address a greater volume of requests. The state's climate goals, and the substantial influx of new projects means that additional reforms are needed.

475
active
projects in the
queue as of March 2023
compared to approximately
120 in 2018.

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