

# Interconnection Order No. 2023 Proposed Compliance Approach

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# Agenda

- **Background**
- **Summary of Order No. 2023 Cluster Study Timeline**
- **Summary of NYISO's Proposed Compliance Plan and Transition Approach**
- **Next Steps**

# Background

# Order No. 2023 Rulemaking Process

- **July 15, 2021** – FERC issued an Advanced Notice of Proposed Rulemaking (ANOPR) to broadly examine FERC's current electric regional transmission planning, cost allocation, and generator interconnection policies.
- **April 21, 2022** – FERC issued a Transmission Planning NOPR.
- **June 16, 2022** – FERC issued the Interconnection NOPR in Docket No. RM22-14-000.
- **July 28, 2023** – FERC issued Order No. 2023. (184 FERC ¶ 61,054)
  - FERC Chairman Phillips described Order No. 2023 as a “historic,” “landmark,” and “watershed” order and one of the longest orders in FERC’s history.

# Overview of Order No. 2023

- **The final rule requires Transmission Providers to adopt revised *pro forma* generator interconnection procedures (LGIP) and agreements “to ensure that interconnection customers can interconnect to the transmission system in a reliable, efficient, transparent, and timely manner, and to prevent undue discrimination.”**
  - FERC’s *pro forma* term “Transmission Provider” as applied in the NYISO’s interconnection procedures encompasses both the NYISO and the New York Transmission Owners.
  - The NYISO’s interconnection procedures assign the responsibilities of “Transmission Providers” to the NYISO, as the system operator, and the New York Transmission Owners, as the owners of the impacted transmission and distribution facilities in New York.
- **FERC describes its reforms as primarily falling into 3 categories:**
  - First-Ready, First-Served Cluster Study Process.
  - Reforms to Increase the Speed of Interconnection Queue Processing.
  - Reforms to Incorporate Technical Advancements in the Interconnection Process.

# Overview of Order No. 2023

## ■ Compliance Deadline

- Compliance filing is due on December 5, 2023, which is 90 days from the date Order No. 2023 was published in the Federal Register (absent an extension granted by the Commission).
- Motions for Extension of Time filed by other parties are pending. If such motions are denied, NYISO anticipates seeking a modest extension of the compliance filing deadline.

## ■ Independent Entity Variations

- Deviations from the compliance directives are permitted if the transmission provider demonstrates the variations are either “consistent with or superior to” the FERC *pro forma* LGIP or, in the context of RTOs/ISOs merit an independent entity variation
- In Order No. 2003 when the LGIP was initially created, the Commission acknowledged the differing characteristics of each region and provided ISOs and RTOs with the flexibility to seek independent entity variations from the final rule “to customize its interconnection procedures and agreements to fit regional needs.”
- Order No. 2023 gives ISOs/RTOs flexibility to propose independent entity variations for reforms to accommodate regional needs.

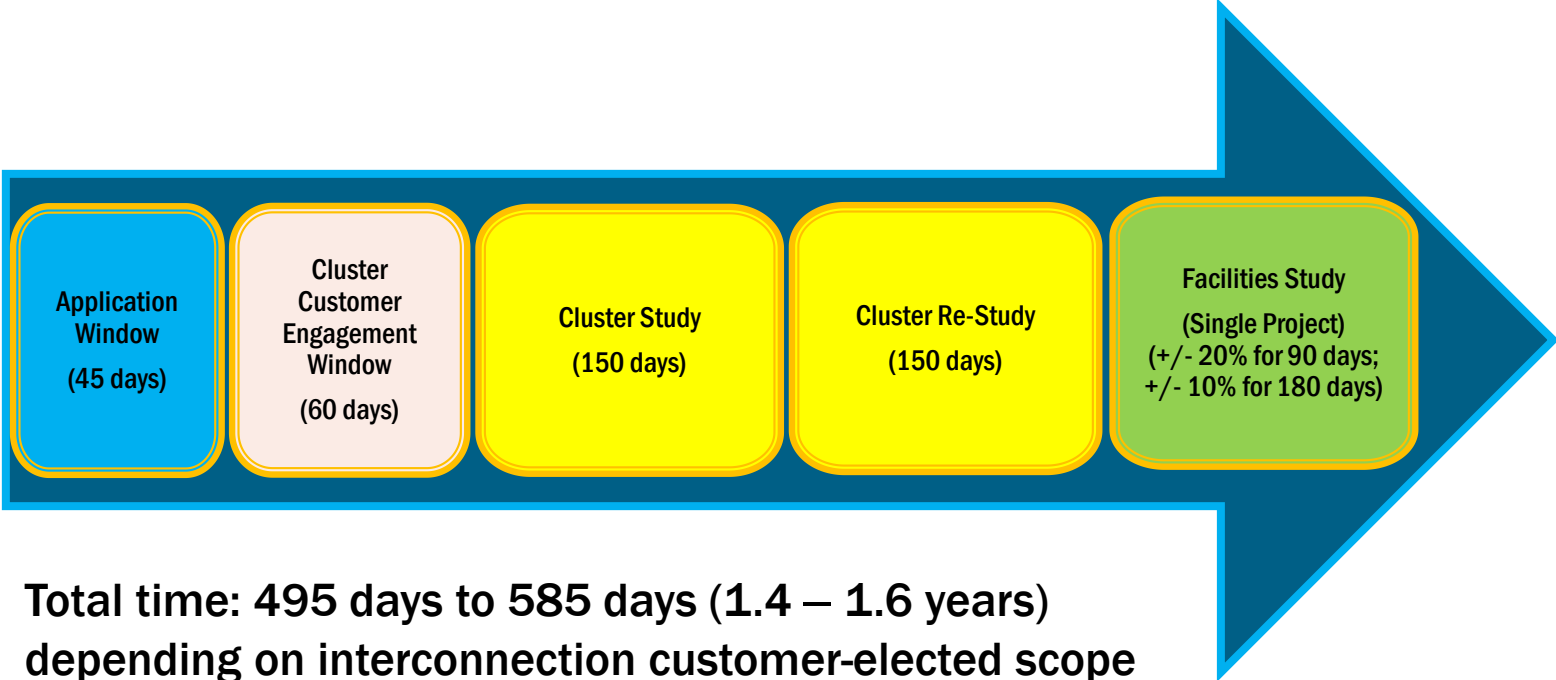
# Motions for Rehearing/Clarification

- **Along with other ISOs/RTOs, transmission owners and industry groups, the NYISO submitted a Motion for Rehearing and Clarification on select issues in Order No. 2023.**
  - NYISO requested rehearing to permit each Transmission Provider to establish firm interconnection study deadlines that are tailored to specific study scopes and circumstances for each region rather than one-sized-fits-all timeframes.
  - NYISO requested rehearing to eliminate the requirement that Transmission Providers must post an anonymized list of projects eligible to participate in the cluster study.
  - NYISO requested clarification that Interconnection Customers only get one opportunity to correct deficiencies in its Interconnection Request and that the Commission did not intend for that cure period to be extended.
- **On September 28, 2023, FERC denied all requests for rehearing by operation of law, providing that the requests for rehearing will be addressed in a future order.**

# Summary of Order No. 2023 Cluster Study Timeline



# Order No. 2023 Cluster Study Timeline



**Total time: 495 days to 585 days (1.4 – 1.6 years)**  
depending on interconnection customer-elected scope  
for the Facilities Study

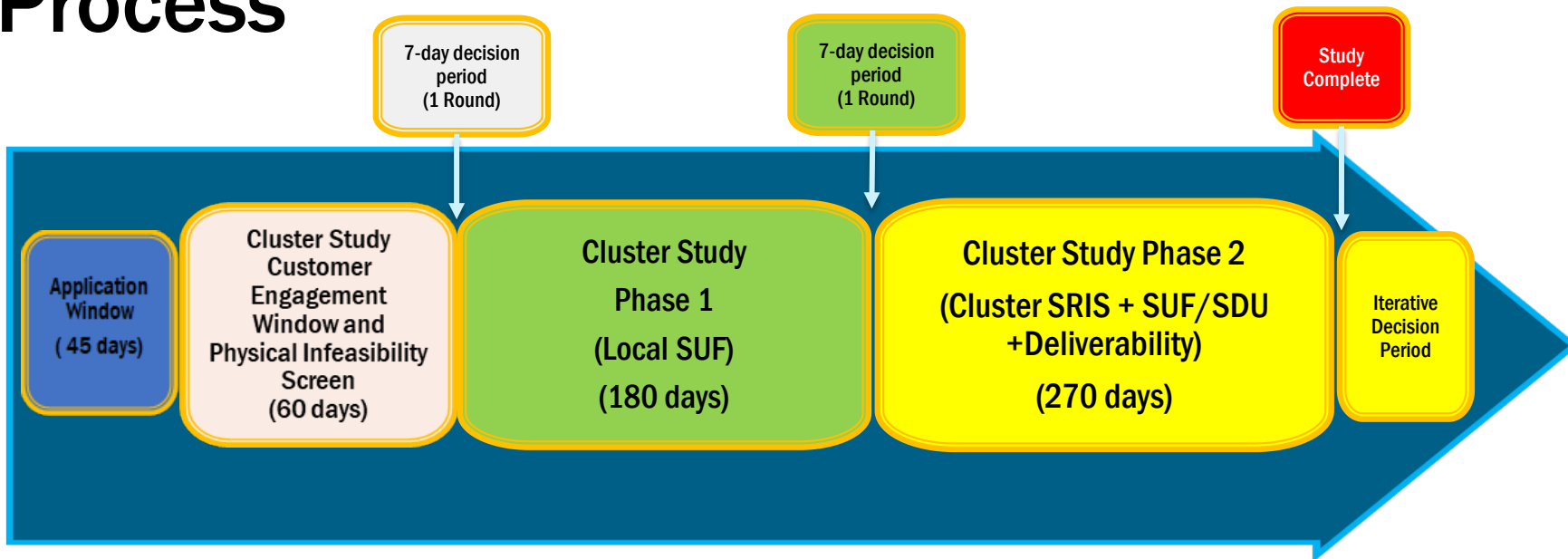
# NYISO's Proposed Compliance Plan

# Cluster Study Process – Compliance

## NYISO Compliance Approach

- **NYISO proposes to include independent entity variations in its compliance plan, to include, at a minimum:**
  - A rolling, optional pre-application process;
  - An enhanced scope for the Customer Engagement Window (including a physical infeasibility screen);
  - A two-phase Cluster Study that incorporates SRIS-type analyses and Class Year analyses (including POI upgrades) rather than an SRIS-type cluster followed by an individual facilities study; and
- **The overall timeline for the proposed Cluster Study process aligns with the overall timeline laid out in Order No. 2023.**

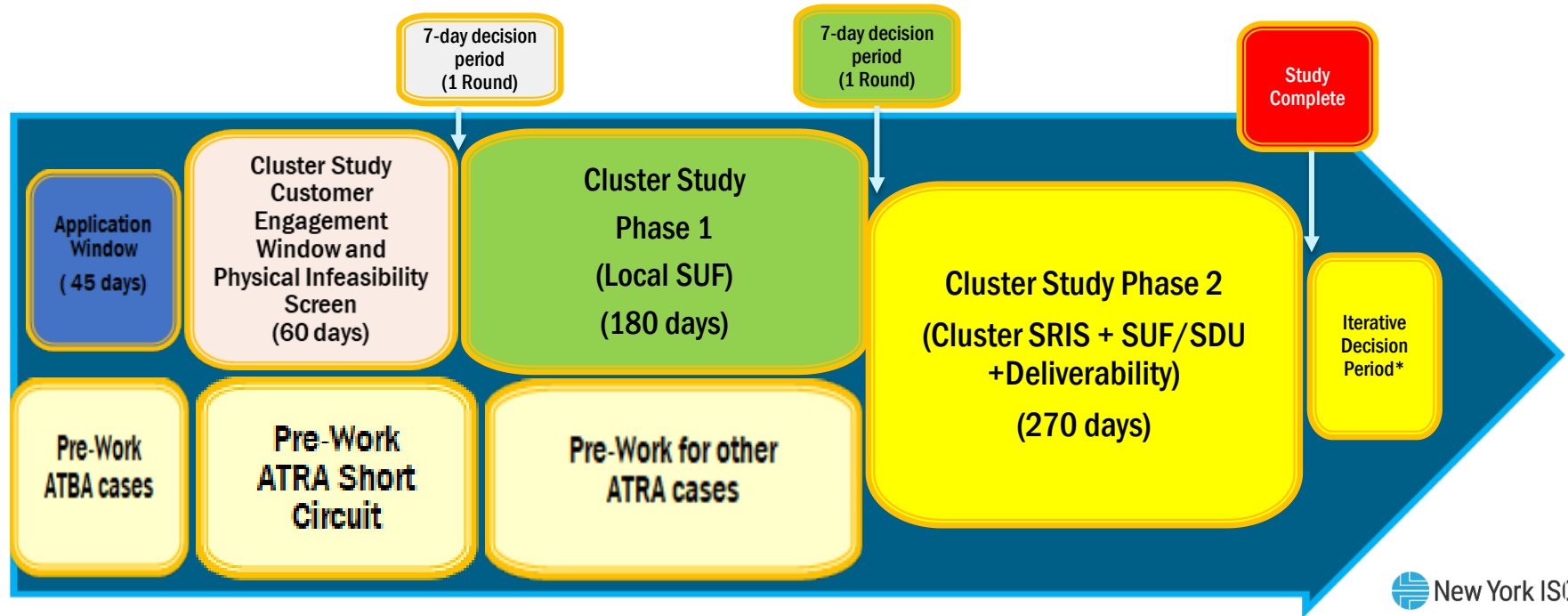
# NYISO's Proposed Cluster Study Process



Total Timeline: 569 days (1.6 years)

# NYISO's Proposed Cluster Study Process, cont.

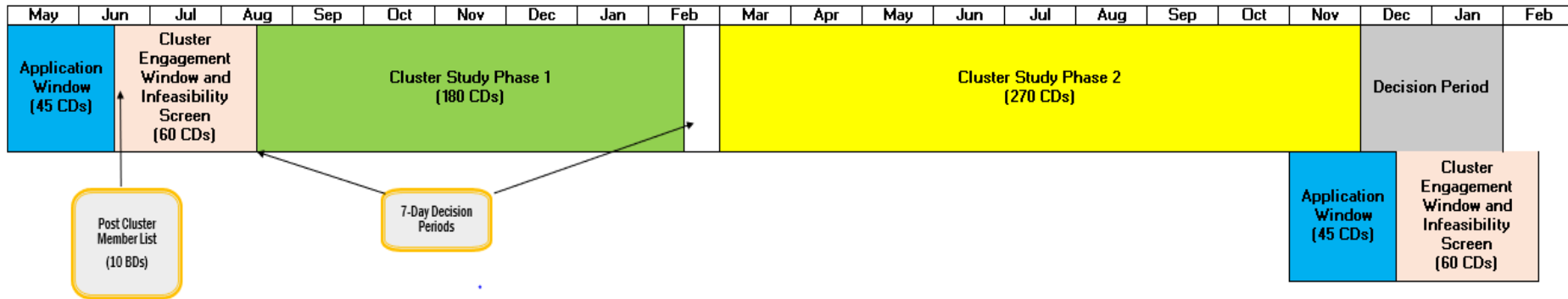
NYISO will perform pre-work to prepare for Cluster Study Phase 1 and Phase 2



# Sequencing of Cluster Studies

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- Clusters begin every 18 months with slight overlap, but not overlap that would cause rework or inefficiencies:



# Transition Process



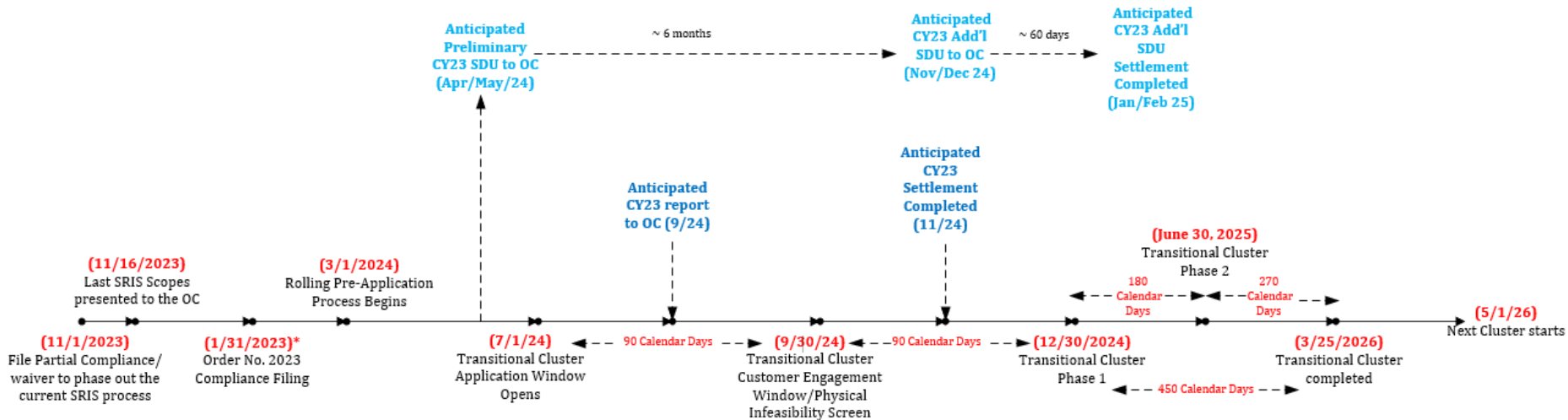
# Transition Process

- **Order No. 2023 provides for three options that can be exercised depending on the progress of the Interconnection Request:**
  - 1) Interconnection Customers that have been tendered facilities study agreements by the Transmission Provider may proceed to a transitional serial study (a facilities study) or may opt to move to the transitional cluster study.
  - 2) Interconnection Customers in the interconnection queue that have not been tendered a facilities study agreement (have not completed the system impact study) will be eligible for the transitional cluster study.
  - 3) All other Interconnection Customers will be subject to the new interconnection procedures.

# Transition Process

- **Order No. 2023 provides for a 360-day transition cluster that precedes the initial "standard" Cluster Study.**
  - This would delay the commencement of the new Cluster Study process.
- **NYISO proposes to transition directly into the new Cluster Study process rather than awaiting the end of a year-long transitional study**
  - As depicted on the following slide, the initial Transitional Cluster Study Application Window will allow interconnection customers additional time to enter this initial study (90 days vs. 45 days).
  - The Customer Engagement Window/Physical Infeasibility Screen will also be extended by 30 days (90 days vs. 60 days) for purposes of the transitional process.
  - The Transitional Cluster Study will otherwise follow the same process with the same timelines as the "standard" new Cluster Study process.

# Transition Process Timeline



\*For purposes of this timeline, the compliance filing date is January 31, 2023. This date may be earlier or later depending upon the disposition of pending motions for extension and the status of the NYISO's compliance proposal.

# Partial Compliance Filing/Waiver

- **NYISO proposes to file a partial compliance filing/waiver in early November to get a head start on the transition process.**
- **The partial compliance/waiver filing will propose to:**
  - Eliminate the SRIS requirement for pending queue projects;
  - Provide pending queue projects various options for how they want to move forward (outlined on the following slide); and
  - Allow SRISs to move forward only if they have an OC-approved scope prior to 12/1/2023 and the project developer elects to complete the SRIS.

# Partial Compliance Filing/Waiver, cont.

## ■ Options for Pending Queue Projects:

- Projects with OC-approved SRIS scopes prior to 12/1/23:
  - Can elect to complete the SRIS
  - Can elect to terminate the SRIS and proceed instead to the new Cluster Study process and/or pre-application process to be available soon after the compliance filing; or
  - Can elect to withdraw from the NYISO queue and re-enter under the new study process.
- Projects with validated IRs without an OC-approved scope prior to 12/1/23:
  - Can elect proceed to the optional Pre-Application process to be available soon after the compliance filing (likely Q1 2024);
  - Can elect to remain in the queue and join the Transitional Cluster Study; or
  - Can elect to withdraw from the NYISO queue.

# New Interconnection Requests

- **New IRs will continue to be permitted and validated at least until the compliance filing, but the transition of existing queue positions will be addressed in the compliance tariff revisions to be discussed with stakeholders.**
  - A validated IR under current rules is not required to enter the Pre-Application process NYISO proposes to commence shortly after the compliance filing.
  - Even with a validated IR under current rules, a project must still submit an application and be validated in the Transitional Cluster Application Window to enter the Transitional Cluster Study.
- **Additional details regarding the Transitional Cluster Study and pre-application process will be discussed at the October 20 IITF meeting.**

# Next Steps

# Next Steps

- **If FERC denies pending motions for extension of the compliance filing deadline, NYISO anticipates filing a Motion for Extension of the Compliance Deadline**
- **Compliance proposals to be discussed in increasing detail at Interconnection Task Force meetings. Upcoming IITF meetings:**
  - October 20
  - November 2
  - November 14
  - December 1
  - December 14
  - January 11



# Questions?

# Roles of the NYISO

- **Reliable operation of the bulk electricity grid**
  - Managing the flow of power on 11,000 circuit-miles of transmission lines from hundreds of generating units
- **Administration of open and competitive wholesale electricity markets**
  - Bringing together buyers and sellers of energy and related products and services
- **Planning for New York's energy future**
  - Assessing needs over a 10-year horizon and evaluating projects proposed to meet those needs
- **Advancing the technological infrastructure of the electric system**
  - Developing and deploying information technology and tools to make the grid smarter

# Our Mission & Vision



## Mission

Ensure power system reliability and competitive markets for New York in a clean energy future



## Vision

Working together with stakeholders to build the cleanest, most reliable electric system in the nation