

Coordination of Interconnection and Transmission Expansion Studies

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Operating Committee

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Agenda

- **Background**
- **Stakeholder Discussions**
- **Conceptual Approach to Enhance Coordination**
- **Next Steps**

Background

Background

- Each set of interconnection and transmission expansion procedures has rules that establish the updated base case at the start of each study.
- Because these multiple study processes may proceed in parallel, it is possible for projects to proceed in an interconnection study processes without accounting for the impact of projects in another study process that could directly impact each other.
- The chance of this circumstance occurring has increased given the influx of interconnection requests entering the NYISO interconnection queue.

Background (cont.)

- **Additionally, the NYISO's interconnection procedures provide a mechanism for updates to the Connecting Transmission Owner's system representation, including distribution level updates provided by the Connecting Transmission Owner.**
- **With the increasing number of distribution-level interconnections proceeding outside the NYISO interconnection queue, it is important to capture the collective reliability impacts of projects in both NYISO and Connecting Transmission Owners' interconnection queues.**

Stakeholder Discussions

Stakeholder Discussions

- In 2022, the NYISO held discussions with stakeholders to develop solutions to enhance the coordination among the interconnection procedures.
- On December 15, 2022, the Operating Committee approved two alternative proposed revisions to Section 22 of the OATT to account for revisions proposed by certain New York Transmission Owners' initiative, entitled "Applying the TO ROFR to Network Upgrade Facility 'Upgrades.'"
- Since the Management Committee approved recommending to the Board to file the New York Transmission Owners' proposed revisions in November 2022, the NYISO held off bringing proposed tariff revisions to coordinate interconnection and transmission expansion study processes to the Management Committee until after FERC action.
- On April 5, 2023, FERC accepted the revisions for the NYTO initiative.
- On July 28, 2023, FERC issued Order No. 2023 directing significant changes to the Large Facility Interconnection Procedures. The NYISO has reviewed Order No. 2023 and determined that directives to ensure that the its directives do not conflict with the proposed revisions to coordinate interconnection and planning study processes. The NYISO does not anticipate tariff revisions proposed in compliance with Order No. 2023 will impact the base case inclusion rules in Attachments P, X, or Z to the NYISO OATT.
- Based on the NYISO's current plans to comply with Order No. 2023, the NYISO believes that the Management Committee's consideration of the proposed revisions to enhance the coordination among the interconnection procedures is timely to file under Section 205 of the Federal Power Act.

Conceptual Approach to Enhance Coordination

Conceptual Approach to Enhance Coordination Among Interconnection Procedures

- 1. Revise the base case inclusion rules used in the interconnection studies to enhance the coordination among the NYISO’s interconnection procedures, as well as separate interconnection procedures conducted by the State and individual Transmission Owners, by:**
 - a) Enhancing the inclusion rules with respect to Transmission Projects and their associated Network Upgrade Facilities (“NUF”) in the base cases used by the NYISO’s interconnection procedures
 - b) Revising the point in time for the inclusion of Small Generators under Attachment Z to a similar level of project commitment as Large Facilities and Transmission Projects
 - c) Further specifying the inclusion of interconnection requests that are being studied in the interconnection processes outside of the NYISO’s procedures
- 2. Clarify and enhance the study of Transmission Projects and Class Year Projects that are not in each other’s base cases but have the potential to impact each other by using existing capacity on the system or requiring similar upgrades to the system**

Proposal 1 - Enhance Base Case Inclusion Rules

Quick Reference of Current Inclusion Rules

Project Type	Inclusion Criteria
TIP Transmission Project (Attachment Y)	<ul style="list-style-type: none">• Selected/Triggered/Voted in Applicable CSPP• Completed System Impact Study• Article VII Application Deemed Complete• Making Reasonable Progress in Applicable Process
TIP Transmission Project (Non-Attachment Y)	<ul style="list-style-type: none">• Facilities Study Complete• Posted Security for NUFs• Article VII Application Deemed Complete
Large Facilities	<ul style="list-style-type: none">• Accepted Cost Allocation in a Previous Class Year
Small Generators	<ul style="list-style-type: none">• Included in the Load and Capacity Data Report as Existing and/or Firm
Interconnections Studied in NYSSIR or Transmission Owner Process	<ul style="list-style-type: none">• Reported by Transmission Owner as Scheduled to Occur during the Five-Year Planning Study Period

Proposal 1 - Enhance Base Case Inclusion Rules

- **Enhance the inclusion of Transmission Projects and their associated NUFs**
 - Revise Attachment P to require a Transmission Project to post Security (if applicable) following the issuance of the final Facilities Study report or the expiration of the deadline for a Transmission Owner to decline an NUF for Public Policy Transmission Projects under Section 22.9.6 of Attachment P
 - Posting Security will also trigger the tender of a draft Transmission Project Interconnection Agreement
 - Revise Attachment P to add Security forfeiture provisions, similar to those found in Attachment S, as opposed to the current practice of incorporating them into the Transmission Project Interconnection Agreement
 - Revise the base case inclusion rules in Attachments P and S to remove the requirement that a Transmission Project being studied under the TIP have an Article VII application deemed complete before being included in the applicable base case

Proposal 1 - Enhance Base Case Inclusion Rules

- **Revise the point in time for inclusion of Small Generators to a point consistent with the inclusion of Large Facilities and Transmission Projects**
 - Revise Attachment Z to require Small Generators to post Security for its System Upgrade Facilities following the completion of the Facilities Study and together with their notice of acceptance of the costs under Section 32.3.5.7 of Attachment Z
 - Small Generators will have 30 Calendar Days after the finalization of the Facilities Study to accept the costs in accordance with Section 32.3.5.7 and 5 Business Days to post Security
 - Posting Security will trigger the tender of a draft Small Generator Interconnection Agreement
 - Revise Attachment Z to add Security forfeiture provisions (modeled off of Attachment S)
 - Clarify the development of the existing system representation for Small Generator interconnection studies
 - Modify the inclusion rules under Attachments P and S to specifically refer to Small Generators and their associated System Upgrade Facilities once a project has posted Security

Proposal 1 - Enhance Base Case Inclusion Rules

- **Further specify the inclusion of projects that are being studied outside of the NYISO's interconnection procedures**
 - Revise the NYISO's base case inclusion rules to specifically refer to interconnection projects being studied outside of the NYISO's procedures that the applicable Transmission Owner identifies as having sufficiently advanced for the Transmission Owner to consider firm for purposes of planning its local transmission system
 - Specific criteria relied on by the applicable Transmission Owner can be further defined in the Transmission Expansion and Interconnection Manual

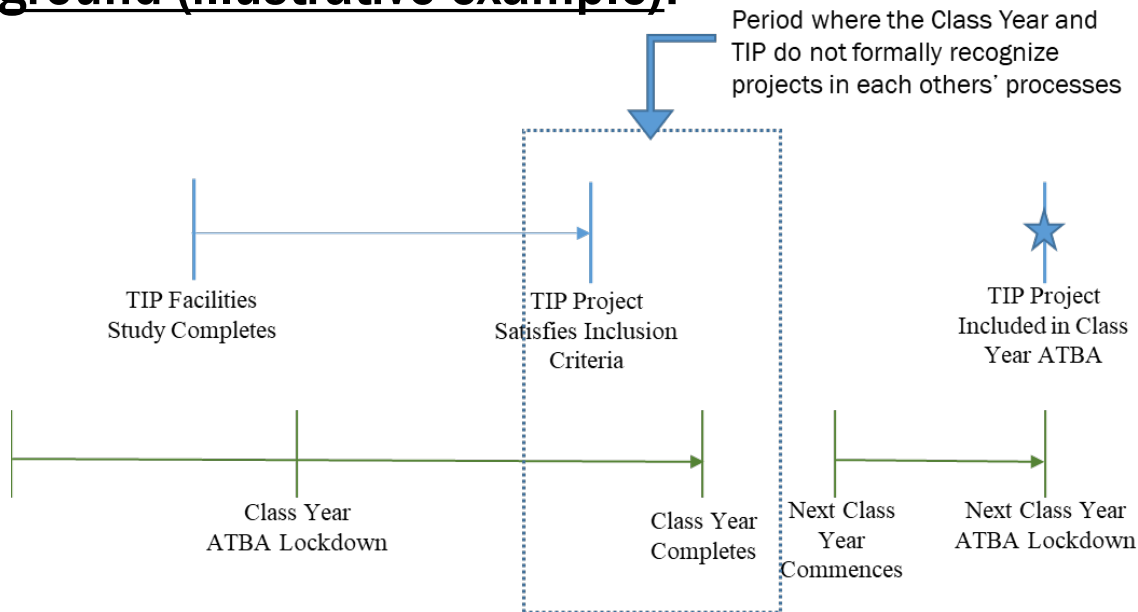
Proposal 2 - Clarify and Enhance Coordination of Transmission Projects and Class Year Projects

■ Background:

- Based upon the interactions of Transmission Projects being studied in the TIP and Class Year Projects being studied in the Class Year, there is a possibility for projects to have or contribute to similar reliability violations and require similar upgrade facilities
- Due to the timing of the studies, Transmission Projects being studied in the TIP may not meet the base case inclusion rules of the Class Year Interconnection Facilities Study to adequately study the interaction of the two projects on similar upgrade facilities, or vice versa
- While the NYISO has flexibility in its current tariff to perform scenarios in the TIP Facilities Studies to account for timing issues, the TIP and LFIP can benefit from explicit tariff provisions detailing the use of sensitivities in the TIP to further coordinate the two processes

Proposal 2 - Clarify and Enhance Coordination of Transmission Projects and Class Year Projects

- Background (illustrative example):



Proposal 2 - Clarify and Enhance Coordination of Transmission Projects and Class Year Projects

- **The NYISO proposes explicit tariff provisions detailing the use of sensitivities and true-up studies in the TIP Facilities Studies to identify and account for interactions with the Class Year Projects that are concurrently being studied in a Class Year that could require the same or similar upgrade facilities**

Proposal 2 - Clarify and Enhance Coordination of Transmission Projects and Class Year Projects

■ Proposal:

- At the start of a TIP Facilities Study, the NYISO will evaluate whether there are any potential interactions between the TIP Transmission Project and the Class Year Projects in an ongoing Class Year Study
- The NYISO will run applicable sensitivities in the TIP Facilities Study to account for Class Year Projects and their System Upgrade Facilities/System Deliverability Upgrades (to the extent known) that may have a potential interactions with the TIP Transmission Project
 - More than one sensitivity may be run if the TIP Transmission Project may have interactions with more than one Class Year Project
 - TIP Facilities Study may also be clustered if Transmission Projects have potential interactions

Proposal 2 - Clarify and Enhance Coordination of Transmission Projects and Class Year Projects

■ Proposal:

- Following the completion of the Class Year Study, there will be “true-ups” based on the results of Class Year Projects accepting or rejecting their project cost allocations and posting of Security.
 - The true-up evaluation will occur following the completion of the ongoing Class Year Study, which the NYISO will use the sensitivity closest to the results of the Class Year and incorporate any adjustments based on Class Year decisions
 - At the completion of the true-up, the NYISO will identify the necessary NUFs for the Transmission Project
 - The Transmission Developer will then have to accept its cost allocation and post Security for the NUFs as set forth in Sections 22.11.1.

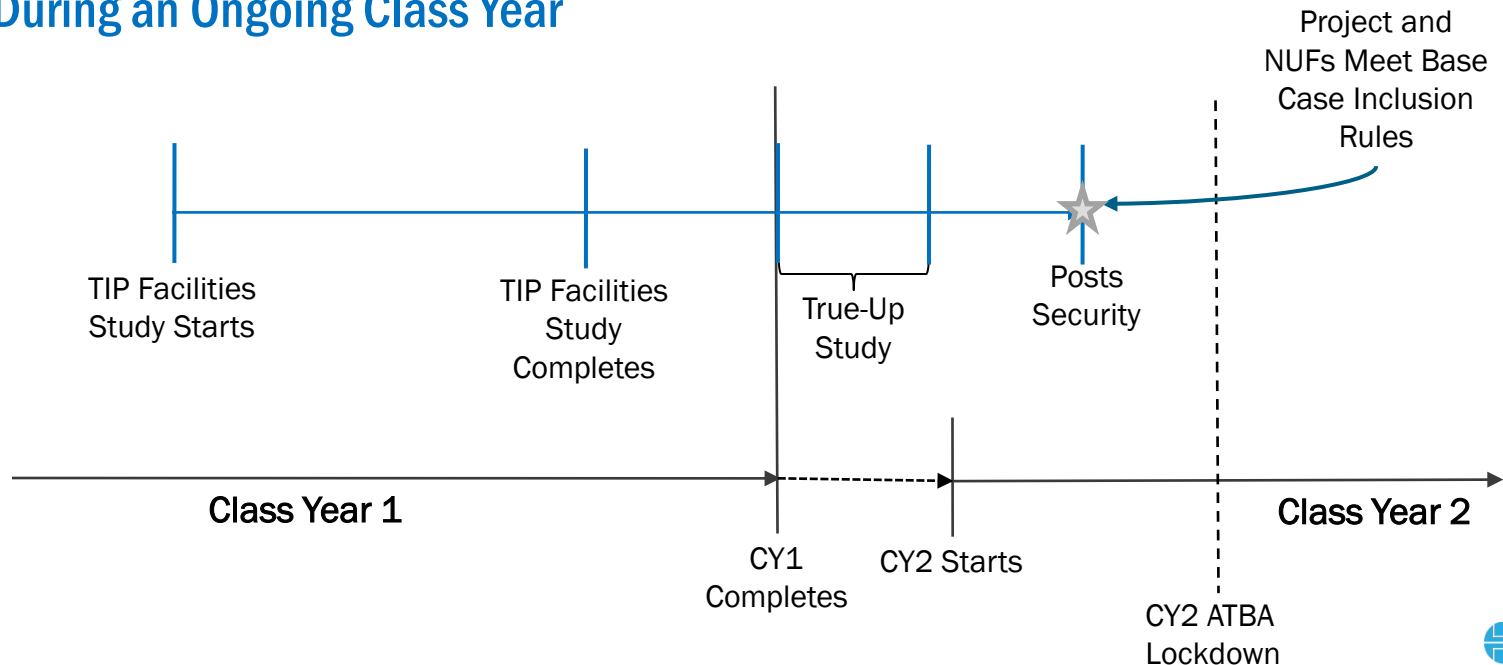
Proposal 2 - Clarify and Enhance Coordination of Transmission Projects and Class Year Projects

■ Proposal:

- If the Transmission Project does not satisfy the applicable inclusion rules, then the TIP Transmission Project will have a subsequent true-up at the end of that Class Year Study before the NUFs necessary for the interconnection of the Transmission Project are finalized
- The Transmission Developer may, however, still enter into a TIP Interconnection Agreement that identify NUFs contingent on the completion of a true-up following the completion of an ongoing Class Year Study

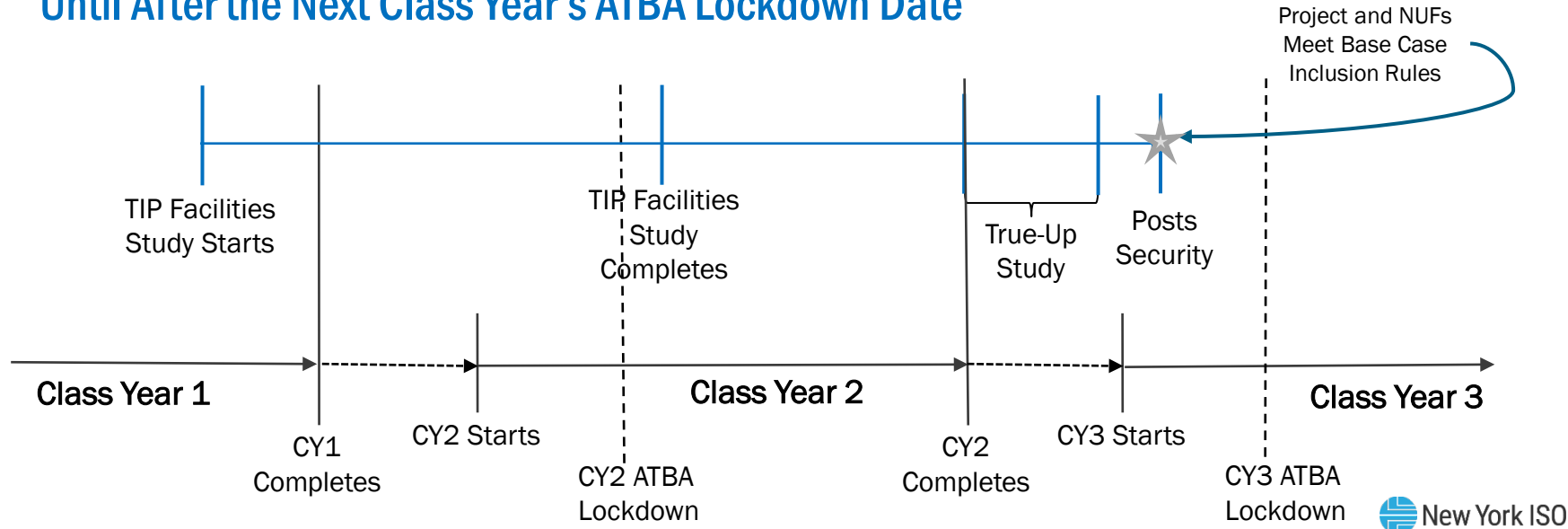
Proposal 2 - Clarify and Enhance Coordination of Transmission Projects and Class Year Projects

- Application of Proposal - Example 1: **Non-Attachment Y Project Starting its Facility During an Ongoing Class Year**



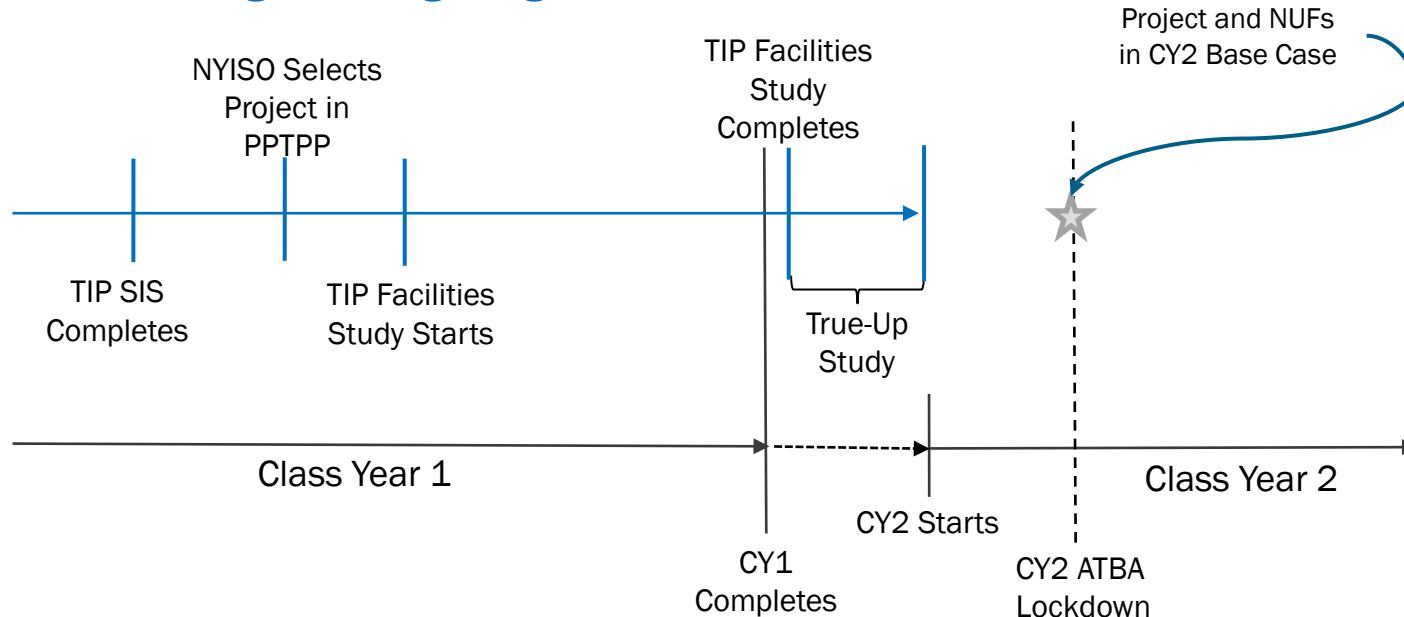
Proposal 2 - Clarify and Enhance Coordination of Transmission Projects and Class Year Projects

- Application of Proposal - Example 2: **Non-Attachment Y Transmission Project Starting its Facility During an Ongoing Class Year But Study Does Not Complete Until After the Next Class Year's ATBA Lockdown Date**



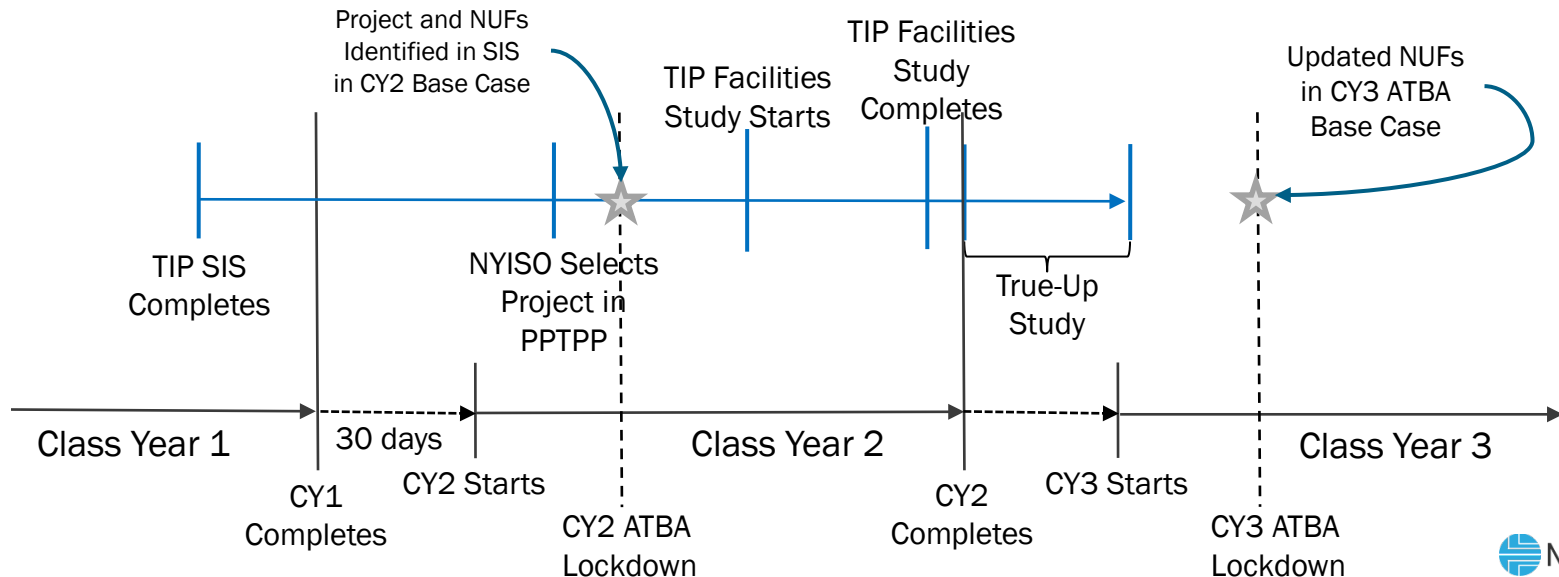
Proposal 2 - Clarify and Enhance Coordination of Transmission Projects and Class Year Projects

- Application of Proposal: **Attachment Y Project Meeting Inclusion Rules During an Ongoing Class Year**



Proposal 2 - Clarify and Enhance Coordination of Transmission Projects and Class Year Projects

- Application of Proposal: **Attachment Y Transmission Project Meeting Inclusion Rules Prior to Class Year ATBA Lockdown But Before Completion of Facilities Study**



Effective Date

- The NYISO will request an effective date in accordance with Section 205 of the Federal Power Act (*i.e.*, 60 days from the filing of the proposal).

Next Steps

Next Steps

- **The NYISO is currently targeting the following schedule for this initiative:**
 - Management Committee – October 25, 2023
 - Presenting to the Board in November 2023
 - Filing the proposed revisions under Section 205 of the FPA following Board’s approval
- **Please send any written comments to Kirk Dixon at kdixon@nyiso.com**

Questions?