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Re: ACE NY interconnection queue reform feedback and comments to NYISO

The Alliance for Clean Energy New York (ACE NY) appreciates NYISO’s efforts to incorporate stakeholder feedback into its Order No. 2023 compliance proposal. As a preliminary matter, we wish to support the NYISO’s timeline to submit its filing by no later than the end of February. While FERC granted a longer extension, the upcoming REC and OREC solicitations and NYSERDA’s defined cadence for future solicitations for both land-based and offshore renewable resources necessitate providing all stakeholders with certainty as to the new interconnection process as soon as possible. ACE NY appreciates that NYISO dedicated a separate effort through the IITF to complete this work. ACE NY and our members remain committed to actively participating in the IITF meetings as the NYISO continues to develop its proposal and anticipates ACE NY will provide additional comments as further developments unfold.

Cluster Study Process Timeline

ACE NY appreciates that NYISO took stakeholder feedback into consideration and extended the decision period between Phase 1 and Phase 2 to ten business days. Providing a ten-business day decision period between the Customer Engagement Window and Phase 1 is also critical to provide adequate time to address circumstances where a physical infeasibility issue is identified with one Point of Interconnection (POI) and an interconnection customer must make the decision to move forward or consider a different POI.

Specific to the interrelationship between Phase 1 and Phase 2, the NYISO has stated that interconnection customers will be provided with enough information and with ample time before the decision period begins between Phase 1 and Phase 2 because developers will have (draft) results 30 days prior to the end of Phase 1 in accordance with procedural requirements like approval by the Operating Committee (OC). However, OC materials can be updated leading up to the meeting, which

would limit this time frame. These associated time frames should be delineated in the tariff to ensure the results will be accessible with enough time to review and provide constructive feedback to NYISO.

In the most recent IITF presentation, the “Iterative decision period” is not clearly defined. Further clarification on this final phase and its timeframe is needed.

Pre-Application Process

ACE NY supports the inclusion of the Pre-Application Process as an opportunity to reduce deficiencies in the Application and Customer Engagement Window. However, this process can only prove viable if adequate information is provided on a timely basis. ACE NY would urge NYISO to delineate in more detail the information to be provided with the categories captured in the tariff. Including project models with the Pre-Application Request Form and providing model validation on the Pre-Application Report would further reduce potential deficiencies during the Application Window and with Interconnection Requests.

Application Window and Interconnection Requests

ACE NY requests further clarification on these subjects and offers the following suggestions.

- Project Layout- ACE NY believes the “general” project layout, which must be included with the Interconnection Request, is intended to be a preliminary layout. Further clarification is required, allowing for updates to be made at later stages, as a project matures without being deemed a material modification. Along these same lines, the scope of, and bases for, changes to be made without triggering a material modification must be delineated.
- Project Models- ACE NY requests that standardized generic OEM models are acceptable during the application phase. As a project enters later stages, it will be viable to provide more detailed design parameters. ISO can publish a set of acceptable OEMs models, which will be helpful with the recent discussions on IEEE 2800. For interconnection customers with equipment yet to be manufactured or control software that is not yet developed, interconnection customers should be allowed to submit generic models that capture minimum performance requirements of the equipment to the best available knowledge of the plant developer and/or equipment supplier at the time of interconnection application.
- Interconnection Request Deficiencies- It is stated that interconnection customers will only be afforded one opportunity to cure deficiencies within 10 business days. ACE NY requests that interconnection customers can cure all “identified” deficiencies. If the interconnection customer cures all identified deficiencies and a subsequent deficiency is identified by NYISO, it

should be afforded a chance to cure the subsequent deficiency. We request the time to cure deficiencies be increased to the earlier of: (I.) 15 business days, or (II.) the last day of the Application Period.

- Site Control (Site Plan)- Further clarification on the site plan is requested. While the language, in Nov. 14 IITF presentation, requires a “detailed” site plan of the conceptual design of the proposed facility, it should be specified that this will still be a preliminary site plan and may change as the project progresses.
- Technology-Specific Acreage Requirements- It was brought up at the Nov. 14 IITF meeting that the acreage requirements set forth in the presentation may not reflect the current technology and industry practices. ACE NY recognizes that NYISO is offering flexibility to Transmission Providers to establish/post requirements and Interconnection Customers to submit additional information and justification for the specific project. Given the likelihood that technological advances and other developments will necessitate revising these parameters over time, ACE NY urges the NYISO to specify in the tariff that projects will be subject to technology-specific acreage requirements as defined in the ISO Procedures. Taking this approach will allow NYISO and its stakeholders to subsequently restructure these parameters, as needed, without requiring further tariff submissions and FERC review. ACE NY plans to provide technology-specific acreage requirement recommendations in a subsequent set of comments.

Transition Process

FERC Order 2023 outlines specific interconnection milestones, site control, and financial deposit eligibility requirements that intends to focus the transition cycle eligibility on projects that meet higher readiness requirements than what is contemplated for the new cluster processes. ACE NY continues to recommend NYISO implement a mechanism that acknowledges current queue priority for projects that have reached a certain stage in the interconnection process (see below) and enables other projects to be studied efficiently and avoid year-long pauses in the queue to maintain fairness in the transition cluster.

ACE NY has developed the following suggestions for such a mechanism:

- a. Establish a portion of the Application Window explicitly for projects that have submitted an interconnection request, as of Dec. 1, to give opportunity for earlier validation timing compared to new entries. (i.e., the first 30 days of the 90-day Application Window are reserved for existing queue re-submissions). This would not change NYISO’s planned use of validation timing for priority but affords a greater likelihood that existing queue positions will be granted feasibility priority over new entries submitting later in the window.

- b. Grant POI priority based on OC-Approved SRIS Scopes as of a certain cutoff date. This mechanism would leverage queue status to consider the administrative time spent on projects that otherwise would have been ready to enter the next Class Year and have their POI deemed firm thereafter.
- c. Grant POI priority to those projects that have submitted an interconnection request as of December 1, 2023. The priority will only apply for situations where there is POI physical infeasibility. The prioritization of these projects will be based on the following criteria and in the corresponding order: a) interconnection queue stage AND b) interconnection queue position (QXXX).

ACE NY has previously cited that there are 271 projects that have entered the SRIS phase. Without a mechanism to address the requests in consideration of their current queue status, NYISO may expect a similar volume, plus any new projects to enter the transitional cluster.

Deposits and Fees

ACE NY appreciates that NYISO will now be accepting cash or a Letter of Credit for the Study Deposit and Commercial Readiness Deposits. ACE NY appreciates that NYISO has clarified that it will not require regulatory milestones at any point in the interconnection process in the November 2 IITF presentation. ACE NY plans to provide specific recommendations on deposit and withdrawal penalties in subsequent comments.

Small Generating Facilities in the Cluster Study Process

NYISO has introduced more discussion of bringing small generators into the cluster process and requests feedback. A major point presented by NYISO speaks to base case alignment. Small generators are currently studied individually without large facilities in pending interconnection studies. As a result, the collective impact at a POI involving both large and small generators may not be adequately captured without performing sensitivities. If NYISO does not merge small generators into the cluster process, NYISO states it would need to develop rules on how and when to fold impacts of small generators into cluster study cases and how to evaluate pending cluster study projects in base cases for small generator studies.

ACE NY acknowledges that a benefit of the separate processes had been a quicker processing time for small generators as they were not subject to class year timing/proceedings. However, due to POI access impacting both small and large generators and the enhanced certainty around the study timelines, ACE NY supports NYISO bringing small generators into the cycle process. Based on the expectation of limited impacts to the system compared to large generators, NYISO should contemplate the ability for small generators to "off-ramp" after it is determined whether non-local SUFs are needed in Part 1. ACE NY recommends that, should an off-ramp be provided, NYISO should assess the cumulative impact of the



small generators in the zone before providing an off-ramp. The off-ramp should not result in unintended consequences on the results of subsequent Phase 2 study.

If small generators are included in the cluster study process a transition plan should be provided for these small generators to elect to enter the transition process.

Storage Operating Assumptions

ACE NY provided extensive comments about this topic on Oct. 13. ACE NY continues to request that NYISO schedule a discussion of this topic at an upcoming IITF meeting.

Phase 2 Information Provided in Phase 1

The NYISO has currently designed Phase 1 to focus on local SUF and CTOAF identification. The NYISO has stated historically that most of the cost for interconnecting projects has been associated with these facilities rather than SDU and non-local SUFs. While ACE NY acknowledges this might be historically accurate, we are concerned that both historical and future withdrawal from the interconnection process have been and will be associated with SDUs and non-local SUFs. Therefore, ACE NY recommends that information on SDUs and non-local SUFs should be provided in Phase 1. By providing this information earlier, it will help shift some of the withdrawals associated with SDUs and non-local SUFs into Phase 1, rather than having them occur at the end of Phase 2. This will help reduce the resources needed to complete Phase 2 because of the reduction in projects continuing in the process and reduces the time, risk, and cost associated with projects that would withdraw because of SDUs and non-local SUFs. ACE NY is open to the nature of this information on SDUs and non-local SUFs and asks the NYISO to identify a solution that would balance the need for this information in Phase 1 and not shifting too much of Phase 2 scope into Phase 1.

Sincerely,

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