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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 the time and effort New York Independent System Operator (NYISO) staff have dedicated to the interconnection queue reform process. ACE NY reiterates its commitment to finding solutions to the challenges of interconnecting unprecedented amounts of renewable energy generation to the grid and staying on track to meet the Climate Leadership & Community Protection Act (CLCPA) mandates and targets. NYISO and ACE NY share this commitment, and ACE NY is grateful to have NYISO as a partner in reducing barriers to bringing renewables online. ACE NY appreciates NYISO’s consideration of this round of comments.

**Withdrawal Penalties**

ACE NY has previously commented on withdrawal penalties and would like to add additional considerations. First, ACE NY agrees with the NYISO’s proposal that the penalties should *only* apply to funds used for studies and the designated at-risk portion of the Commercial Readiness deposit in accordance with FERC Order guidance. Second, ACE NY supports NYISO’s reduced penalty, if the cost increase is greater than 50% of the final cost allocation at the end of Phase 1 vs. total non-SDU cost allocation that Interconnection Customer rejects at the end of Phase 2. Additionally, ACE NY would like to request that the same reduced withdrawal penalty applies if the SDU, SUFs, and CTOAFs cost estimates increase more than 100% after Phase 2, resulting from other project withdrawals during the iterative decision period.

**Penalty- Free Withdrawal**

ACE NY appreciates the opportunity to withdraw without a penalty within 5 business days after the publication of the project list which will set forth the prioritization of projects on the newly structured interconnection queue and agrees with the reduced penalty (25% of the study cost) for projects that withdraw during the Customer Engagement Window. The TOs have stated physical infeasibility can be determined at any point in the cluster study. Therefore, if NYISO deems the project’s proposed Point of Interconnection (POI) is infeasible at any point in the process, the Interconnection Customer should



be allowed to withdraw penalty free. POI infeasibility is not equally within the Interconnection Customer's control, and thus it should not be penalized by determinations made later in the process.

## Commercial Operation Date

ACE NY appreciates NYISO's openness to modifying the criteria used to define "reasonable progress" to extend a project's Commercial Operation Date (COD). ACE NY suggests that any one or more of the following items on the list is sufficient to demonstrate reasonable progress if it has been accomplished prior to COD extension request.

- **Permitting:** Demonstrate material activity on federal, state, or local permits, including Article VII, Article 10, §94-c, (or if passed Article VIII and § 3-c), Army Corps, USFWS, or SEQRA. Material activity includes permit filings, settlement negotiations, completeness determinations, draft or final permit issuance, compliance filings, issuance of limited notice to proceed (LNTP) or final notice to proceed (FNTP), water quality certificates, tribal environmental permits, and FAA Determinations.
- **Offtake contracts:** Either announced that a project has won a bid under a NYSERDA's Request for Proposal (RFP) solicitation or has been awarded a NYSERDA offtake Renewable Energy Credit (REC) contract of any type (must be inclusive of whatever contract structure is developed for storage), binding private party offtake contracts, binding hedge agreements, or other binding purchase contracts.
- **Financial commitments:** Cumulative expenditures greater than \$1 million in the prior year on project-specific development costs or procurement of long-lead items such as transformers, breakers, cable, or other equipment. Also, financial close on a project-specific loan of greater than 10% of facility cost.
- **Engineering:** If work is progressing under an executed Engineering & Procurement (E&P) agreement or progress under an executed Large Generator Interconnection Agreement (LGIA) with the interconnecting transmission owner or utility. Also engineering work to advance project design by conducting pre-FEED (Front End Engineering Design) or FEED studies should also count towards demonstrating project readiness.
- **Legislative:** Passage of any project-specific legislation by the state legislature, such as that required to site facility components on state land, execution of any county-level agreements such as PILOT, Host Community, or Road Use Agreements.

Pursuant to NYISO Open Access Transmission Tariff ("OATT") Attachment X, a project must achieve its COD within four (4) years from completion of the applicable Class Year. If a Developer does not meet this deadline, it is considered a Material Modification to the Project. ACE NY has the following suggestions on how NYISO could amend the approach to the COD rules going forward. ACE NY first recommends that the time from the completion of the Class Year to the COD rule be extended from 4



to 7 years from the completion of the applicable Class Year for all resources. For rationale, please see EDF’s comments on Feb. 2, 2023, Empire Offshore Wind’s comments on Feb. 6, 2023, and the ACE NY comments on July 21 and Oct. 13, 2023.

Alternatively, the NYISO could consider different COD timeline requirements for different resources based on technology type. For example, offshore wind and nuclear need longer timelines than solar or battery storage.

### **Regulatory Milestone**

During the Jan. 11 Interconnection Issues Task Force (IITF) meeting, NYISO noted that the elimination of regulatory milestone requirement will not apply to CY23. ACE NY requests that NYISO remove the regulatory requirement milestone for all projects, including those in CY23. Continuing to require regulatory milestones for CY23 and previous Class Years unfairly advantages projects in the transition cluster and beyond. Projects in CY23 and prior Class Years would be disadvantaged as they may be stalled in the ORES process, while newer projects entering the transitional cluster and subsequent CYs will be able to come online faster.

### **Technology-Specific Acreage Requirements**

ACE NY appreciates NYISO’s communications on this topic and recommends that the NYISO tariff explicitly state that projects will be subject to technology-specific acreage requirements specified in the NYISO manual. ACE NY recommends that the NYISO build in the process to change energy density over time and that a third-party establishes those energy density requirements through a technical evaluation. As New York continues its path to meet the targets of the CLCPA and technologies continue to become more efficient, energy density will increase and procedures to address these changes should be built into the NYISO process. As another suggestion, like in other ISO markets, an alternative site layout or PE-stamped site plan by an external engineering firm could be permitted and gives the developers more certainty. Finally, regardless of whatever acreage values NYISO establishes in its manuals, NYISO must specify in its tariff that specific acreage requirements contained in state or federal permitting would meet this requirement. For example, in the offshore wind context, the Bureau of Ocean Energy Management may dictate the final design layout for offshore wind farms to accommodate specific environmental and other constraints.

To streamline the interconnection and permitting processes, NYISO interconnection and Office of Renewable Energy Siting (ORES) regulations should not duplicate efforts but coordinate to ensure that siting regulations are thoughtful. If NYISO is considering additional site control parameters, ACE NY requests that NYISO provide a complete list of them as soon as possible.

### **Storage Operating Assumptions**

FERC Order 2023 requires Transmission Providers, at the request of developers, to use operating assumptions in interconnection studies that reflect the proposed charging behavior of electric storage resources. ACE NY reiterates its previous comments and continues to oppose NYISO’s plan to seek an



independent entity variation because NYISO has not sufficiently justified this request. The NYISO has described the reasons it opposes the FERC requirement in the NYISO's Request for Rehearing (pages 53-56). That description is insufficiently detailed. For example, if current NYISO market rules are not consistent with the FERC Order 2023 requirement, then why can't the NYISO market rules be changed to enable compliance with the FERC order? What complications are caused by changing the market rules, and are they tolerable? What is the extent of the added complexity to NYISO's interconnection studies, and can it be reasonably managed without adding significant delay to the studies? ACE NY requests that this topic be the subject of a separate agenda item to be included in a near-term upcoming IITF meeting. ACE NY strongly urges that NYISO allow interconnection customers to specify their own operating assumptions for storage assets, and that NYISO consider the option to secure unsecured lines in place of line upgrades where it is possible, as explained in ACE NY's Dec. 21 comments.

ACE NY maintains that energy storage resources should not always be modeled as charging during peak hours. ACE NY members appreciate the benefits of the NYISO's Minimum Interconnection Standard (MIS); specifically, its ability to use redispatch, including dispatching down the studied interconnection project, to resolve overloads on transmission facilities. However, ACE NY is concerned about the inability of MIS to be used for overloads on unsecured facilities. There are many instances of energy storage resources impacting unsecured facilities. In such instances, modeling energy storage resources as if they will be charging during peak hours leads to an unrealistic NYISO system scenario with an illusory increase in loads, triggering unnecessary and costly upgrades. At minimum, ACE NY proposes that in scenarios where storage interacts with unsecured lines, NYISO allows the interconnection customer to specify operating assumptions.

### **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 reiterates its previous comment and recommends that NYISO establish a portion of the Application Window explicitly for projects that have submitted an Interconnection Request, as of Dec. 1, 2023, to give opportunity for earlier validation timing for more mature projects compared to new entries. (i.e., the first 30 days of the 150-day Transition Cluster 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. Implementing this suggestion would ensure that NYISO maintains its objectivity in the transition cluster.

### **Contingent Transitional Study Projects**

NYISO states that Contingent Transitional Study Projects must be the same project as the project that was proposed in CY23. ACE NY would like NYISO to clarify if there is an opportunity for modifications to said projects as they enter the Transitional Class Year. ACE NY requests that



Contingent Transitional Study Projects be allowed to adjust their POI to a POI on the same line or within the same substation.

### **Project Modifications e.g. between Phase 1 and Phase 2**

ACE NY understands that NYISO intends to continue to permit non-material modifications as long as the total requested ERIS does not increase by more than 2 MW and the requested CRIS does not increase. NYISO intends to request an independent entity variation to limit modifications during the Cluster Study Process to the 5 Business Day-period after publication of the Cluster member list during the Customer Engagement Window. ACE NY maintains that developers should be allowed to pursue modifications at the decision periods at the end of the Customer Engagement Window and Phase 1 Study. Furthermore, PRR 151 provides that the models will be updated, and absent a clear demonstration that the electrical configuration has changed, it should not be considered material. To ensure transparency and predictability for developers, ACE NY requests that NYISO state its process and explanation for determining if a change is considered material or non-material. In addition, NYISO could provide a list of common non-material modification examples, especially regarding changes in technology. ACE NY also recommends that the NYISO include in its procedures the number of days it will take to respond to material modification inquiries, so that developers may plan accordingly, and the interconnection process is not unduly delayed.

### **Application Window - PRR 151**

During the Jan. 11 IITF meeting, NYISO explained that it will require an “attestation” per New York State Reliability Council’s (NYSRC) Potential Reliability Rule (PRR) 151 establishing minimum interconnection standards for Inverter-Based Resources (IBR) Generating Facilities based on Institute of Electrical and Electronics Engineers (IEEE) Standard 2800-2022 (IEEE 2800). As noted in ACE NY’s comments submitted to the NYSRC on Dec. 21, 2023, many IBR control designs are currently under development by the original equipment manufacturers (OEMs) and do not have models that reflect as-built, commercially available facilities. ACE NY reiterates its suggestion that developers be allowed to provide standardized, generic OEM models during the application phase (NYISO to publish acceptable models), and projects be allowed to provide more detail in later stages. Generic models that capture the best-available knowledge of the minimum performance requirements to best-available knowledge of the plant should be allowed if the required equipment/software are not yet developed. Developers are only able to provide the best model available at the time of its interconnection request submission. If the models must be provided on a preliminary basis at the time of the Interconnection Request to accommodate these and other relevant circumstances, developers should be allowed to subsequently augment their submission with an improved or otherwise updated OEM model, and it should not be a requirement that developers submit a new interconnection request because of this updated model. Furthermore, these changes that are necessary for compliance with IEEE 2800 should not be considered material modifications. This will allow for, among other things, developers to meet Application Window deadlines, while providing the OEM's additional time to build out models.



## **Curing Deficiencies**

During the Transitional Cluster, the Application Window is 105 days. NYISO has 10 business days to notify Interconnection Customers if their request is valid or to identify deficiencies, and Interconnection Customers are allowed 15 business days to completely cure deficiencies. In subsequent cluster studies, the Application Window is 45 days, NYISO has 5 business days to notify Interconnection Customers if their request is valid or to identify deficiencies, and Interconnection Customers are allowed 10 days to cure all deficiencies. NYISO proposes one opportunity to cure all deficiencies. If the cure attempt is deficient, the interconnection request will be withdrawn, and the developer must submit a new interconnection request before the closure of the application window.

ACE NY requests that NYISO specify that developers are responsible to cure all deficiencies "identified" by NYISO. In instances where NYISO identifies additional deficiencies after the first cure attempt, developers should be allowed an additional opportunity to cure the identified deficiencies. ACE NY requests that NYISO clarify in its tariff that developers have the opportunity to ask clarifying questions with NYISO staff related to the deficiency listed. This will enable new developers to ask questions to adequately cure their deficiencies in a timely manner. In addition, ACE NY suggests the time frame allowed for developers to cure deficiencies remains 15 business days for subsequent clusters. A 45-day application window would still allow for interconnection customers to submit 2 "rounds" of applications, if necessary.

In a situation where an Interconnection Customer has unsuccessfully attempted to cure all deficiencies, time may be of the essence to submit a new application within the remaining Application Window. NYISO should identify the timeframe or elaborate on the process on how Interconnection Customers will be informed its Interconnection Request is still deficient and being withdrawn. ACE NY recommends that interconnection customers be notified automatically in the Interconnection Portal on the tenth business day (or if NYISO grants the request above, it would notify on the fifteenth business day) of the cure period or at the latest within 5 business days after the cure period that its interconnection request is being withdrawn.

Sincerely,

Reid Wagner

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