

# **Interconnection Agreement Enhancements For Consideration: *Contemplated Modifications to NYISO's Pro Forma Standard Interconnection Agreement and Construction Agreements***

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Working Group (ESPWG)**

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# Agenda

- Review draft revisions to existing *pro forma* Standard Interconnection Agreement
  - Updates from the 1/20/2026 TPAS/ESPWG presentation are noted in red.

# Background

# Pro Forma Agreements

- The NYISO OATT includes a *pro forma* Standard Interconnection Agreement among the NYISO, Connecting Transmission Owner, and Interconnection Customers for the interconnection of Generating Facilities or Cluster Study Transmission Projects to the New York State Transmission System or Distribution System.
- The Standard Interconnection Agreement is contained in Section 40.25.15 of Attachment HH to the OATT.
  - This agreement is based on FERC's *pro forma* agreement established in its Order No. 2003, as modified in subsequent orders (e.g., Order Nos. 2023, 845, 827, 842).
  - As part of its compliance with Order No. 2023, the NYISO replaced its Large Generator Interconnection Agreement and Small Generator Interconnection Agreement forms with the new Standard Interconnection Agreement.
  - The NYISO's revisions to the form largely concerned complying with limited revisions required by Order No. 2023 and updating terminology and requirements to align with the new Cluster Study Process rules in Attachment HH.

# *Pro Forma* Construction Agreements

- As part of its compliance with Order No. 2023, the NYISO inserted in its OATT two new *pro forma* agreements.
- The Standard Construction Agreement among the NYISO, Interconnection Customer, and a Transmission Owner/System Owner addresses the engineering, procurement, and construction of SUFs or SDUs identified on an Affected System. This agreement is located in Section 40.25.16 of Attachment HH of the OATT.
- The Standard Multiparty Upgrade Construction Agreement among the NYISO, two or more Interconnection Customers, and a Transmission Owner/System Owner addresses the engineering, procurement, and construction of SUFs or SDUs identified on an Affected System or Connecting Transmission Owner's system in connection with two or more projects. This agreement is located in Section 40.25.17 of Attachment HH of the OATT.
- These agreements are based on the Standard Interconnection Agreement as modified to only address the engineering, procurement, and construction of upgrades.

# Increased Number of Generation Projects In New York

- **Historically, the NYISO studied and entered into interconnection and construction agreements with a relatively small number of proposed generation projects seeking to interconnect to the New York State Transmission System or Distribution System, with many of these projects being large fossil fuel projects.**
  - For example, Class Year 2015 only included 16 participants (of which 9 participated solely to obtain CRIS).

# Increased Number of Generation Projects In New York

- **In recent years, the NYISO has experienced a significant increase in developers submitting Interconnection Requests, particularly for renewable generation resources. For example:**
  - 57 projects participated in Class Year 2021, of which more than 25 proceeded to the interconnection agreement stage
  - 70 projects participated in Class Year 2023, of which more than 35 proceed to the interconnection agreement stage.
- **Currently, 92 projects in the Transition Cluster Study have elected to enter the Phase 2 Study and could potentially proceed to interconnection agreements.**
- **With the increased number of projects, there has also been an increase in impacts to Affected Systems that require upgrades to ensure the reliable interconnection of generation projects (*e.g.*, upgrades to remote end substations).**

# Increased Number of Agreements

- The increased number of projects has resulted in a corresponding increase in the numbers of required interconnection agreements and construction agreements.
  - With the increased number of agreements, there has also been an increase in the number of amendments to these agreements (e.g., project modifications, extensions of project’s Commercial Operation Dates).
- The below table illustrates the increasing numbers of interconnection and related agreements under negotiation (or subject to amendment) with the NYISO in recent years.

	<b>Jun 2016</b>	<b>Dec 2018</b>	<b>Dec 2019</b>	<b>Dec 2020</b>	<b>Jun 2021</b>	<b>Dec 2022</b>	<b>Dec 2023</b>	<b>Dec 2024</b>	<b>Dec 2025</b>	<b>Current</b>
<b>Total</b>	10	19	29	64	75	68	62	112	98	84

- The NYISO anticipates that for the foreseeable future there will continue to be an increased number of required interconnection and related agreements, and amendments to these agreements, as significant numbers of new generation seek to interconnect in New York.
  - Approximately half of the agreements currently under negotiation are amendments to existing agreements to address developer’s requested modifications to their projects and COD extensions.

# Need for Reform

- **The increased numbers of interconnection and construction agreements (and related amendments) require that the NYISO, New York Transmission Owners, and Interconnection Customers expend significant additional time, staffing, and resources. This is resulting in longer time periods to complete and execute the agreements.**
  - The OATT provides for the parties to complete a *pro forma* agreements within 180 days of tendering the agreement but permits the parties to agree to extend this period.
  - Currently, the negotiation periods for most interconnection agreements are subject to extensions.

# Need for Reform

- In addition, with the more extensive use of the *pro forma* agreements, the NYISO has identified certain recurring issues concerning the *pro forma* agreements that are necessitating additional discussions during the agreement negotiation process, delaying completion of the agreements, and requiring the filing of many non-conforming agreements at FERC.
- Finally, certain elements of the agreement have not been updated recently (e.g., insurance, tax provisions) and may benefit from further review.

# Need for Reform

- Prior to Order No. 2023, the NYISO engaged with stakeholders to discuss reforms to the *pro forma* agreements.
- The NYISO was required to pause this initiative while addressing its compliance with Order No. 2023, including developing its new Cluster Study Process.
  - The NYISO was able to address certain of its proposed process reforms in its Order No. 2023 proceeding, including establishing *pro forma* construction agreements.
- The NYISO has continued to assess opportunities to enhance the *pro forma* agreements and its related procedures.

# Contemplated Process Reforms/Agreement Revisions for Consideration

# Contemplated Process Reforms

- The NYISO proposes to revise the *pro forma* Standard Interconnection Agreement, Standard Upgrade Construction Agreement, and Standard Multiparty Upgrade Construction Agreement to address recurring issues and to enhance and provide clarity concerning these procedures and agreements to enable parties to complete the agreements in a timely manner.
- The NYISO proposes that these revisions apply to the interconnection and construction agreements required for projects participating in the Transition Cluster Study Process.
- The NYISO does not propose revisions to the *pro forma* interconnection and construction agreements currently under negotiation for projects that participated in Class Year 2023 or a prior Class Year or to projects that participated in the Small Generator Interconnection Procedures.

# Contemplated Process Reforms

- FERC's *pro forma* interconnection agreement, adopted in Order No. 2003 and enhanced in subsequent orders, establishes requirements for the transmission provider.
- In New York, the transmission provider obligations are, as applicable, shared or divided among the NYISO and New York Transmission Owners in the *pro forma* agreement.
- For purposes of the draft Standard Interconnection Agreement, the Member Systems are also proposing certain revisions concerning provisions applicable to the Transmission Owners.
  - The Member Systems are primarily proposing revisions concerning property rights/acquisition, advanced payment, metering, insurance, and taxes.
  - The Member Systems will separately provide their proposed revisions to the tax and insurance provisions for stakeholder consideration.

# Contemplated Revisions to Standard IA

- The NYISO proposes the following categories of revisions to its *pro forma* Standard Interconnection Agreement.
  - Include placeholders in the body of the IA to address recurring variations that have necessitated non-conforming agreements (e.g., NYPA and LIPA-specific variations) (throughout IA);
  - Remove legacy references to the Class Year Study process that are no longer applicable (throughout IA);
  - Clarify provisions related to the applicable Connecting Transmission Owner's standards and in which instances these standards may be updated subsequent to the applicable Cluster Study (Arts. 5.2.1, 5.2.2);
  - Clarify that Interconnection Customer and Connecting Transmission Owner can agree for Interconnection Customer to construct those upgrades (e.g. Distribution Upgrades and Other System Upgrade Facilities) for which there is not an Option to Build and clarify the rules concerning such work (Arts. 1, 2.4, 5.1.3, 5.2, 11.2);
  - Clarify across the agreement requirements regarding the construction of Attachment Facilities and Upgrades (Art. 11.3; Appx C);

# Contemplated Revisions to Standard IA, cont.

- Include standardized provisions and requirements for Interconnection Customers using shared Attachment Facilities to interconnect their projects (Arts. 1, 5.19, 15.1, 15.2, 15.3, 15.4; Appx A);
- Clarify land acquisition and site access provisions (Arts. 5.2.9, 5.6.2, 5.13, 5.14);
- Update provisions regarding modification and metering (Arts. 1, 5.22.1, 7.1, 7.4, 7.5 7.6, 7.7, 7.8);
- Revise Phasor Measurement Unit requirements to account for the NYISO's ability to directly obtain this data and include placeholder in Appendix A for project-specific PMU responsibilities (Art. 9.10; Appx A);
- Update rules concerning security, engineering & procurement agreements, invoicing, and oversight cost (Arts. 5.2.12, 11.5, 11.8);
- Provide for use of standardized prepayment approach with agreement of Interconnection Customer and Connecting Transmission Owner (Art. 12.4; Appx B);

# Contemplated Revisions to Standard IA, cont.

- Clarify the use of and process for updating the agreed project Milestones (Arts. 5.1.5, 5.5, Appx B, Appx G);
- Update insurance and tax requirements (To be provided for Arts. 5.20, 18.3);
- Clarify description of the project's ERIS and CRIS values in Appendix C, including accounting for interconnection service amounts for co-located storage resources or hybrid storage resources (Appx C);
- Clarify project-specific operating requirements in Appendix C, including operational control and metering details, and shared facility details (Appx C);
- Clarify parties' obligation to satisfy NYISO tariff requirements, including complying with applicable interconnection procedures (Art. 3.2 and throughout IA); and
- Make additional clarifications and clean ups, including cleaning up typos (throughout IA).

# Contemplated Revisions to Standard Construction Agreement

- The NYISO proposes to update the Standard Upgrade Construction Agreement and the Standard Multiparty Upgrade Construction Agreement to make conforming revisions to these agreements that align with the revisions to the related provisions in the Standard IA form.

# Stakeholder Comments

# Comments from Stakeholders

- **ACE-NY provided comments posted as part of the January 5, 2026 TPAS/ESWPG meeting materials regarding:**
  - Efficiency in IA negotiations;
  - Tender of IAs; and
  - Minor IA amendments.
- **RWE Clean Energy, LLC provided comments posted as part of the January 5, 2026 TPAS/ESWPG meeting materials regarding:**
  - Timing for tendering Interconnectin Agreements

# Feedback from the NYISO

## ■ Efficiency in IA negotiations

- The NYISO's proposed enhancements to the interconnection and construction agreements are intended to address issues that regularly arise in the negotiation of these agreements to enable the parties to more efficiently complete the agreements in a timely manner.
- The NYISO is reviewing the request concerning greater uniformity of milestones.

# Feedback from the NYISO, cont.

- **Timeframe for tendering and negotiating agreements**
  - The NYISO believes that the existing tariff requirement that it tender the interconnection and construction agreements as soon as practicable and that the parties negotiate such agreements within six months (subject to parties' agreement to extend this period) remains a reasonable approach. (OATT 40.21)
  - The NYISO does not support a tariff-prescribed 30-day timeframe for tendering agreements given the increasing and uncertain volume of agreements that need to be tendered and the uncertainty until the completion of the Final Decision Period of the Cluster Study as to which projects will be proceeding.

# Feedback from the NYISO, cont.

- **Timeframe for tendering and negotiating agreements, cont.**
  - An Interconnection Customer currently has the option to expedite its project's progress, including: (i) requesting that the NYISO tender the draft interconnection agreement during Phase 2 of the Cluster Study Process and (ii) entering into an engineering and procurement agreement with the CTO to make progress pending the completion of the agreement.
  - Significant delays in the time period for negotiating interconnection agreements are generally the result of post-study project modifications and the high volume of projects negotiating agreements (including numerous projects with existing agreements seeking amendments due to subsequent project modifications and extensions of project milestones).

# Feedback from the NYISO, cont.

## ■ Minor IA amendments

- The NYISO is reviewing the extent to which minor revisions to equipment would not require amendments to existing agreements.
- The NYISO is proposing revisions to the Standard IA to enable the parties to make certain modifications, such as updating milestones, without requiring an amendment to the agreement.

# Next Steps

# Tentative Timeline to Implement IA Reforms

- **January-April 2026**
  - Based on Stakeholder feedback, finalize contemplated reforms that can be developed in time for implementation following the completion of the Transition Cluster Study Process
  - February 26, 2026 – NYISO discussion with stakeholders at ESWPG/TPAS concerning initial draft of revisions to the Standard IA
  - NYISO requests comments by March 11
  - Continue to vet and refine proposals with Stakeholders
- **April/May 2026**
  - Stakeholder and Board Approvals
  - FERC filing
- **Late May 2026**
  - FERC filing
- **Late July 2026**
  - FERC Order
- **August 2026**
  - Anticipated start date of next Cluster Study

# Questions?

# 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